



Annual Report 2025

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Approved by the Board of Directors in Hofseth BioCare ASA 27. March 2026

Hofseth BioCare ASA is committed to maintaining high standards of corporate governance that will strengthen confidence in the company among shareholders, capital market and among other stakeholders, thereby contributing to the greatest possible value creation over time. The aim of corporate governance is to regulate the roles of shareholders, board and management beyond what is required by legislation.

The company reports in accordance with the recommendation of 30 October 2014, last updated 17 October 2018 («the Recommendations») issued by the Norwegian Corporate Governance Board (NUES). The rules on the continuing obligations of listed

companies at www.oslobors.no and guidelines are available at www.nues.no

Compliance is based on a «comply or explain» principle, which means that the company must comply with all recommendations or explain why they have chosen an alternative approach to specific recommendations. The following explains the company's compliance with the 15 sections and addresses the additional requirements set out in the Accounting Act § 3-3 b. Any deviation from the Code of Conduct will be explained under the appropriate section.

This report is part of the company's annual report. The report is also available on Hofseth BioCare's website www.hofsethbiocare.com, along with more information about the company's business.



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Corporate governance

The Board of Directors of Hofseth BioCare ASA (HBC or the company) has the ultimate responsibility to ensure that the company is practicing good corporate governance. The company's Board of Directors and management conducts a thorough review and assessment of its principles of corporate governance annually.

Hofseth BioCare is a Norwegian public limited company and is listed on Oslo Stock Exchange. The Norwegian Accounting Act and the rules of the Continuing Obligations for stock listed companies impose a duty on the Company to issue its principles and practice for corporate governance in the annual report.

Values and guidelines for business ethics and corporate social responsibility

The company's values are an important premise for corporate governance. Trust in HBC as a company, and in the business, is crucial for the Company's future competitiveness.

Hofseth BioCare is committed to transparency about its guidelines for management of the Company. This strengthens the value creation, builds internal and external confidence and promotes a code of ethics and a sustainable approach to business.

HBC is founded on the core value of sustainability and optimal use of natural resources. The Company aspires to create a healthy company culture based on these core values. The Board of Directors has approved the Code of Conduct for business ethics and corporate social responsibility. The Company's customization of the Code of Conduct and the internal guidelines ensure a proper division of roles and responsibilities and well-functioning cooperation among the Company's shareholders, the Board of Directors and its management, and that the business is subject to satisfactory controls. An appropriate distribution of roles, effective collaboration and satisfactory controls contributes to the best possible value creation over time, for the benefit of its owners and other stakeholders.

The Company's Code of Ethics covers the handling of impartiality, conflicts of interest, relationships with customers and suppliers, relations with the media, insider trading and relevant financial interests of a personal nature. The core of the concept of CSR is the Company's responsibility for people, communities and environment affected by operations and typically addresses:

- › **Human rights** which mean that the Company carries out its operations in accordance with the international agreements and conventions that are fundamental rights for every human being, regardless of race, gender, religion or other status.
- › **Anti-corruption** which means that the organization mandates that it should not demand, receive or accept an offer of an improper advantage in connection with a position, office or assignment.
- › **Employee relations** where AMLs (Working Environment Act) provisions concerning employment contracts, working hours, insurance, pension, vacation, sick leave monitoring etc. embodied in internal guidelines and be followed throughout the organization. The employees are organized, and there is established good communication channels between employee representatives and management.
- › **HSE (Health, Safety and Environment)** is the Company's top priority. Through guidelines and incorporate routines that safety inspections, preventive maintenance routines, etc. all employees are involved. A safety delegate system is implemented in the organization.
- › **No Discrimination** where the Company endeavors to ensure that there shall be no discrimination or unequal treatment which has its basis in individuals, genders, ethnicities, nationalities, religious communities and the like.
- › **Environmental** which is a key factor in the Company's social responsibility. Emissions to water and air are continuously monitored. Regular meetings are held with local authorities and municipal bodies.

Business

The aim of Hofseth BioCare is defined in the Company's Articles of Association, which inter alia, states:

Hofseth BioCare's business is development, manufacturing,

marketing and sale of marine ingredients such as oil, calcium and protein products, as well as cooperation with, and the participation and ownership in businesses engaged in related businesses.

The Company's board of directors shall have from 3 to 10 members according to the resolution of the General Meeting. The Company shall have an Audit Committee.

Please refer to the Articles of Association for Hofseth BioCare, last modified 4 January 2024, which are available at the Company's website www.hofsethbiocare.com.

Equity and dividend

Equity

Hofseth BioCare shall have an equity ratio which is appropriate in relation to its objectives, strategy and risk profile, and the Board of Directors will continually assess the capital situation.

The Company's Board of Directors and management have used the following instruments to have a customized equity at any given time

- › Private placement/capital increase
- › Shareholder loans (subordinated loan) that can be deemed part of the company's equity
- › Sales-enhancing and cost-cutting measures

As of 31 December 2025, the group had an equity of NOK -75.5 million, corresponding to an equity ratio of -19.2 %. For the Parent company the equity was NOK -6.3 million and an equity ratio of -1.4%. Including subordinated debt, adjusted equity ratio was 26.1% per year end for the Parent company. The Board considers an equity ratio of more than 25 per cent to be at a satisfactory and prudent level. The parent Company's long-term debt financing has financial covenant requirements of 25% equity, including subordinated loans, and the Company had an equity ratio of over 25 per cent and not in breach with its financial covenants.

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The Board will at all times consider various instruments to ensure that the Company has sufficient equity, including an authorization given to the Board at the extraordinary General Meeting on 20 November 2025 to issue up to approximately 96 million new shares intended to be used in the event of a need for additional equity and liquidity. It is the Board's intention to ask the General Meeting for a similar authorization for the coming period.

Dividend

HBC aims to give its shareholders a competitive rate of return based on the Company's earnings. Dividends will be considered in the context of HBC's financial position, loan terms and capital requirements for existing and new projects.

Mandates of the board of directors

Mandates granted to the Board of Directors, either to increase the Company's share capital or to buy its own shares, will generally be limited to defined purposes and usually limited in time until the date of the next ordinary General Meeting.

As of 31 December 2025, the Board of Directors in HBC holds an authorization to increase the Company's share capital by issuing new shares with a total face value of up to NOK 965,784.28 equivalent to 96,578,428 shares, each with a nominal value of NOK 0.01.

The authorization can be used in connection with the issuance of shares to investors who are considered to have strategic importance for the Company as well as to repair any issues because of such, or any other equity issues.

In accordance with this power of attorney to the Board of Directors will also be able to offer shares to the people or companies who are not shareholders of the Company. Existing shareholders' preferential right may be waived.

The Board of Directors is given the authority to change the Articles of Association stating the share capital size in accordance with the shares the Board decides under this authorization. The authorization was granted at the extraordinary General Meeting 20 November 2025 and is valid until the ordinary General Meeting in 2026, however not longer than 30 June 2026.

Equal treatment and transactions with related parties

Hofseth BioCare has two classes of shares, ordinary class A shares with voting rights, and class B shares which do not hold any voting rights but will carry a preferential right to receive dividends and a preferred right in the case of liquidation or other distribution of the Company's assets. Each class A share in the Company carries one vote.

As a main rule, all transactions in the Company's own shares shall take place through the stock exchange or at the stock market price if traded outside of the stock exchange, or in a way so all shareholders shall be treated on an equal basis.

Transactions with related parties

Included in the rules of procedures for the Board are guidelines for how the members of the Board and the CEO shall act in discussions or decisions related to issues which are of special personal importance to them, or to any related parties to the member in question.

Transactions with related parties are governed by market terms and conditions in accordance with the «arm's length principle».

The Company's shareholders, Board and management, and their related parties, as well as all companies in the Hofseth group, including RH Industri AS and Hofseth International AS, will be related parties to Hofseth BioCare.

Transactions with related parties are further described in note 6 to the financial statements.

Freely tradable shares

All ordinary class A shares in Hofseth BioCare are freely tradable with no limitations as stated in the Articles of Association. Any transfer of B-Shares is subject to consent of the Company's Board of Directors.

The general meeting

Through the general meeting the shareholders exercise the highest authority in Hofseth BioCare. All shareholders are entitled to submit items to the agenda, meet, speak and vote at general meetings in accordance with the provisions of the Norwegian Public Limited Companies Act. The Board of Hofseth BioCare strives to ensure that the general meetings are an effective forum for communication between shareholders and the Board, and the Board shall take steps to ensure that as many shareholders as possible may exercise their rights by participating in the general meetings.

The annual General Meeting is held each year before the end of May. Extraordinary General Meetings may be called by the Board at any time. Hofseth BioCare's auditor or shareholders representing at least five percent of the total share capital may demand an extraordinary General Meeting to be called.

The notice calling the annual General Meeting is made available on the Company's website and sent to shareholders with known addresses by post no later than 21 days prior to the date of the meeting. Article 9 in the Company's Article of Associations states that documents related to matters on the agenda of a General Meeting can be made available on the Company's website rather than being sent to shareholders by post. The supporting documentation will be available at the same date as the notice calling the meeting and provides all the necessary information for shareholders to form a view on the matters to be considered. The deadline for registration for the annual General Meeting is at the latest 3 days before the General Meeting takes place. Shareholders

who cannot attend the General Meetings in person shall be given the opportunity to vote, and the Company shall provide information and nominate an available person who may vote on behalf of the shareholders in this respect.

The General Meeting elects the members and deputy members of the Board, determines the remuneration of the members of the Board, approves the annual financial statements, discusses the Board of Director's guidelines on management remuneration and decides such other matters which by law or Hofseth BioCare's Articles of Association are to be transacted at the General Meeting.

The Board of Directors, the Nomination Committee and the auditor's attendance at the General Meeting is waived from the recommendation if a review of the agenda, the availability and physical location would suggest this is not practical. Under the General Meeting for the adoption of the financial statements for 2024, no members of the Board participated. The auditor did not participate.

Nomination committee

The General Meeting has chosen a Nomination Committee to ensure objectivity regarding the shareholders' interests.

The company shall have a Nomination Committee consisting of 3 members where the majority of the members shall be independent of the Board of Directors and the management. The members of the Nomination Committee shall be elected for terms of two years.

The Nomination Committee shall propose candidates for the Board of Directors and the Nomination Committee, including remuneration to the Board of Directors and the members of the Nomination Committee. Members of the Nomination Committee are Geir Even Håberg, Lennart Clausen and Svein Myhre. The remuneration to the Nominating Committee shall be determined by the General Meeting.

The Nomination Committee shall evaluate the need for changes of the Board and the Nomination Committee. To have the best possible basis for their deliberations, the committee should be in contact with the directors and the CEO.

Furthermore, the Nomination Committee should consult relevant shareholders for nominations and for consensus in its decision. The board's evaluation report should be treated separately by the Nomination Committee. The recommendations of the Nomination Committee shall include a justification as to how the best interest of the shareholders and the Company has been secured.

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The Board of Directors, composition and independence

The Board of Hofseth BioCare includes six members, of which three are female, corresponding with the Company's Articles of the Associations Section 5, stating that the Board should have from three to ten members.

Members of the Board are selected in the light of an evaluation of the Company's needs for expertise, capacity and balanced decision-making, and with the aim of ensuring that the Board of Directors can operate independently of any special interests and function effectively as a collegiate body.

The majority of the Board of Directors shall be independent of Hofseth BioCare's management and its main business connections. At least two of the members of the Board shall be independent of the Company's main shareholder(s). The Board of Directors does not include executive personnel.

Director of the Board, Roger Hofseth, is as of 31 December 2025 CEO of Hofseth International AS, one of the Company's largest shareholders, and director of the Board, Dr. Crawford Currie is Head of Medical R&D in the Company. Both are related to several of the Company's business connections and is thus not considered independent.

The Chair of the Board, Linda Christin Hoff, Director Christoph Baldegger, Director Amy Novogratz and Director Maria Bech are considered independent of management, business connections and the Company's main shareholders.

The term of office for members of the Board of Directors is two years. An updated overview of the members of the Board of Directors of Hofseth BioCare, including their employment, education and professional background is provided at the Company's website www.hofsethbiocare.com.

Members of the Board of Directors are encouraged to own shares in the company.

The General Meeting elects the Chair of The Board of Directors.

The work of the Board of Directors

The Board

The Board of Directors has the overall responsibility for the management of Hofseth BioCare. This includes a responsibility to supervise and exercise control of the Company's activities.

Furthermore, this includes developing the Company's strategy and monitoring its implementation. In addition, the Board of Directors exercises supervision responsibilities to ensure that the company manages its business and assets and carries out risk management in a prudent and satisfactory manner. The Board of Directors is also responsible for the appointment of the Chief Executive Officer (CEO).

A separate instruction for the Board of Directors is implemented, and the Board develops a yearly plan for their work.

In accordance with the provisions of Norwegian company law, the case processing and responsibilities of the Board are governed by a set of rules and procedures. The Chair of the board is responsible for ensuring that the work of the Board is carried out in an efficient and responsible manner in accordance with the legislation.

The Board has established instructions for the work of the CEO. There is a clear separation of work between the Board and the General Manager. The CEO is responsible for the operational management of the Company.

The Board conducts an annual evaluation of its work, form of work and competence.

The Board of Directors has adopted an Audit Committee in accordance with the Company's Articles of Association § 6 and the Code of Practice. There is a separate instruction for the Audit Committee.

According to the company's Articles of Association, section 6, the Board decides the members of the committee. The members of the Audit Committee in Hofseth BioCare are Linda Christin Hoff (Chair) and Roger Hofseth.

The Company has established its own Compensation Committee in accordance with the Company's Articles of Association, section 11. The members of the Compensation Committee are Christoph Baldegger and Roger Hofseth.

Risk management and internal control

The Board of Hofseth BioCare shall ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. The internal control and the systems should also encompass the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility.

Risk management and internal control is performed through various processes within the Company, both through the Board of Directors' work and the operational management of the Company.

The Board of Directors receives regular reports from management outlining the financial and operational performance of the Company. The administration's reporting is based on input according to key reporting from the chain of command, as updated accounting and valuation of accounting items, including relevant operating data of importance for the assessment of accounting records. Monthly operating reports are evaluated and decided by the top management of the Group.

There must be sufficient qualified resources to carry out appropriate reports which will contribute to effective decision

making and continuous control of the Group's financial performance.

In connection with the budget work and approval of the budget, the Board considers the internal control systems and the most important risk factors are considered that the Company may be confronted with. Considering the Company's growth strategy, the Board is ensuring that the internal control systems apply to all aspects of the Company's operations, including strategic, operational and financial risk. The Board also assesses the need for any further measures in relation to the risk factors.

The Board of Directors has adopted guidelines that encompass the Company's corporate and ethical values and corporate social responsibility, cf. Section 1 (Code of Ethics).

The preparation of interim reports and annual reports shall be in accordance with Norwegian and international principles for accounting and as further set out in the rules of procedure for Board of Directors.

The Group's control environment is assessed as satisfactory, and the Group has a satisfactory accounting and controlling department. Parts of the payroll functions are outsourced to an external accounting firm.

Operative internal control is safeguarded through established procedures and guidelines to be followed up through line management and management reporting. Likewise, continuous risk analysis and control activities are executed. The Board believes that the scope and level of the said areas is satisfactory to the Group's size and complexity. The Board of Directors, through its Audit Committee and together with its independent auditor, carries out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

The Board of Directors describes in the annual report the main features of the Company's internal control and risk management systems related to the Company's financial reporting.

Remuneration of the Board of Directors

The compensation to the Board shall reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

The remuneration paid to the members of the Board will be decided by the General meeting. The remuneration paid to the members of the committees will be decided by the General Meeting having considered proposals by the Board in line with the Code. Information about the fee paid to the Board and committees is stated in the annual report.

There is an authorization the board may use in connection with the

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issuance of shares to Directors and employees of the Company. Remuneration of the members of the Board can be done in shares instead for cash payment.

Remuneration of executive personnel

The Board of Directors prepares guidelines for the remuneration of the executive personnel. The guidelines have been communicated to the General Meeting through a management salary statement. The Company's performance-related remuneration of the executive personnel is linked to value creation for shareholders or the Company's earnings performance over time and the Company strives to ensure that its arrangements are in line with the guidelines.

Information and communications

Hofseth BioCare's information policy shall be based on openness and equal treatment of all shareholders, and the Company has resolved to comply with the Oslo Børs' Code of Practice for Reporting IR Information.

Hofseth BioCare strives to continuously publish all relevant information to the market in a timely, effective and non-discriminatory manner. All stock exchange announcements are made available both on the Company's website and on the Oslo Stock Exchange news website www.newsweb.no and are also distributed to news agencies (via GlobeNewswire).

The Company publishes its preliminary annual financial statements by the end of February, together with its fourth quarter results.

The complete annual report and financial statements are made available to shareholders no later than three weeks prior to the annual General Meeting, or, at the latest, by 30 April each year, which is the last date permitted by the Securities Trading Act. For 2024 the complete annual report and financial statements were approved and published 11 April 2025. Quarterly results are published within two months after the close of the quarter.

The Company's financial calendar for the coming year is published no later than 31 December in accordance with the rules of the Oslo Stock Exchange. The financial calendar is available on the company's website and on the Oslo Stock Exchange website.

Quarterly reports and presentation material are available on the Company's website, www.hofsethbiocare.com.

Take-overs

It is a fundamental principle to Hofseth BioCare that all shareholders are treated equally. Openness in respect of take-over situations is important in ensuring equal treatment of all shareholders.

The Company will not seek to hinder or obstruct take-over bids for the Company's activities or shares unless there are reasons for this.

In the event of a take-over bid for the Company's shares, the Board of Directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the General Meeting following announcement of the bid.

If an offer is made for the Company's shares, the Company's Board of Directors should issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board of Director's statement on the offer should make it clear whether the views expressed are unanimous. If this is not the case, it should explain the basis on which specific members of the Board of Directors have excluded themselves from the Board of Directors' statement. The Board of Directors should arrange a valuation from an independent expert. The valuation should include an explanation and should be made public no later than at the time of the public disclosure of the statement.

Any transaction that is in effect a disposal of the Company's activities should be decided by a General Meeting, except in cases where such decisions are required by law to be decided by the General Meeting.

Auditor

EY is the auditor for Hofseth BioCare and is appointed by the General Meeting.

The auditor shall annually submit to the audit committee the main features of the plan for the auditing work. Furthermore, the auditor shall at least once a year prepare a report containing its opinions on the Company's accounting policies and internal control. The auditor participates in board meetings dealing with the consolidated financial statements for the Group and the company. In meetings with the Audit Committee and the board auditor shall explain any material changes in the Company's and Group's accounting policies, the assessment of the significant estimates and all significant matters that there has been disagreement about between the Company and the auditor. The Board has annual meetings with the auditors without the group management teams present.

There are no written guidelines for executive management's use of auditors for services other than auditing. This differs from «Norwegian recommendation for corporate governance». However, the auditor reports to the audit committee on which non-audit services have been provided to the Group and the Company. Throughout the year, the audit committee is responsible for approving the services provided by the auditor, as well as the fees for such services.

The Audit Committee in conjunction with the annual report for 2025, received a written confirmation from the auditor that he satisfies established and legitimate independence requirements. Information about the auditor's remuneration for auditing and other services will be provided to the annual General Meeting.

The auditor's remuneration is disclosed in note 5 to the financial statements.



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Important events in 2025

First quarter

The first quarter of 2025 was characterized by continued strategic execution across commercial, operational, and scientific activities, despite a challenging start to the production season. After the scheduled annual maintenance shutdown in January, raw material volumes remained below historical levels into mid-February due to unusually high salmon prices affecting supplier output. From late February onwards, raw material availability increased sharply, and the Midsund facility responded with a significant ramp-up in production, culminating in the highest three-week production period in the company's history. During this period, the plant sustained throughput levels 15–20% above its previously rated capacity while maintaining product quality and yields.

Commercially, the company reported solid revenue growth driven by continued demand for higher-margin human and pet health products. Total operating revenues increased year-on-year, supported by a favorable shift in product mix toward human nutrition and functional ingredients, partially offset by ongoing pressure in the commodity salmon oil market. The company implemented organizational and cost-efficiency measures during the quarter, including targeted restructuring actions aimed at strengthening long-term operational performance.

A key strategic milestone was reached with the decision to initiate construction of a second enzymatic hydrolysis facility in Berkåk, Norway. The project is supported by a EUR 5 million loan from long-standing customer and partner Symrise, complemented by a NOK 60 million bank facility. Once completed, the Berkåk expansion is expected to triple HBC's current

production capacity and further strengthen its position as a global supplier of science-led marine ingredients. Preparatory work on permits, mass balance, and process design commenced during the quarter, with the project progressing according to plan.

The company continued to advance its R&D portfolio in the first quarter. NT-II™ demonstrated promising clinical results in joint health, with findings presented at the ICFSR 2025 conference. Progress was also made across the pharmaceutical pipeline, including FT-002a for prostate cancer and MA-022s for allergic asthma, alongside continued preparations for an IND submission related to the pediatric inflammatory bowel disease (IBD) study of SPHi peptides in collaboration with Stanford University.

Second quarter

The second quarter of 2025 marked a period of operational intensity and margin improvement. High production throughput at the Midsund facility continued from late Q1 into Q2, with the plant achieving record average processing volumes over rolling weekly and monthly periods. During the first half of the year, the facility processed more raw material than at any previous comparable period in its history, demonstrating both increased capacity and improved process control.

Despite somewhat softer top-line revenues in the quarter, gross margins expanded significantly as the company continued its strategic transition away from bulk commodity products toward higher-value human and pet health ingredients. Operational discipline and cost control contributed to a positive Operational EBITDA, reflecting improving underlying profitability in the core business.

In the Consumer and Pet Health business, revenues were broadly stable, while profitability improved meaningfully. The Brilliant™ brand continued its geographic expansion, securing new customer agreements in Europe and extending its presence to more than 25 countries globally. Improved supply conditions toward the end of the quarter positioned the B2C business for accelerated growth in the second half of the year, particularly within softgel products.

Human Nutrition B2B sales recorded strong year-on-year growth, driven by increased demand in Europe, China, and Southeast Asia. CalGo® continued to gain traction with repeat B2B customers, supported by new product launches and positive customer feedback.

R&D remained a central value driver during the quarter. The CalGo® bone health study confirmed its ability to prevent further bone loss and indicated a trend toward increased bone mass, strengthening its positioning within healthy aging applications. NT-II™ reached another milestone with preclinical analyses accepted for publication. In parallel, planning commenced for a cognitive health study of ProGo® in Alzheimer's patients in China, reflecting the expanding scope of the bioactive peptide platform. In oncology, FT-002a achieved peer-reviewed publication of encouraging anti-tumor results, while progress continued across asthma and gastrointestinal indications.

The company also strengthened its ESG framework during the quarter with the publication of its internally developed 2024 ESG report and an improved EcoVadis Bronze rating. Employee health indicators showed positive trends, including reduced sick leave, while improved incident reporting reflected increased transparency and awareness.

Third quarter

The third quarter of 2025 was characterized by continued operational execution, strategic progress in R&D, and important financial developments. Production and supply chain performance remained stable, with high-capacity utilization supported by expanded raw material sourcing and improved logistics. Inventory levels increased in line with higher activity and anticipated demand in the latter part of the year.

Commercial activity remained focused on higher-value markets. Human nutrition and functional ingredient sales continued to benefit from established customer relationships and ongoing scientific validation, while consumer and pet health products maintained their international footprint.

Scientific progress accelerated during the quarter. The company continued to build its clinical and preclinical evidence base across multiple therapeutic and health areas. ProGo® peptides advanced further within metabolic health and body composition research, with additional clinical studies planned for lower-dose applications and use in combination with GLP-1 therapies. SPHi peptides demonstrated strong anti-inflammatory effects in gastrointestinal disease models, and preparations progressed for regulatory submissions required to initiate clinical studies in pediatric IBD.

Within pharmaceutical development, AecorBio continued preclinical work on FTH1-modulating peptides targeting prostate cancer, with animal studies demonstrating significant anti-tumor effects. Parallel work explored potential applications in restless leg syndrome, an area with limited existing treatment options. Intellectual property protection strategies were further strengthened to support long-term value creation across these programs.

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From a financial perspective, the company experienced a temporary breach of financial covenants at the end of the quarter, reflecting timing effects related to working capital and investment activity. This situation was subsequently remedied through preparation for the private placements, and certain unsecured loans in the fourth quarter, restoring compliance and strengthening the balance sheet.

Fourth quarter

The fourth quarter of 2025 concluded a year of significant operational scaling, commercial repositioning, and scientific progress for Hofseth BioCare. Operational performance reached a new milestone, with the Midsund facility processing 5,288 tonnes of raw material during the quarter. This confirmed the successful validation of an annualized processing capacity of approximately 24,000 tonnes and demonstrated the organization's ability to sustain higher throughput levels while maintaining product quality and yields.

Commercially, activity accelerated toward year-end. Revenues increased sharply compared with the third quarter, supported by higher volumes and continued progress in the shift toward higher-value human and pet health ingredients. While market conditions for bulk salmon oil remained challenging, gross margins proved resilient, reflecting the company's ongoing strategic transition away from commodity exposure and toward science-driven specialty products. Human Nutrition B2B sales delivered strong year-on-year growth, driven by demand in Europe and Asia for ProGo® and OmeGo®, supported by expanding scientific validation and customer adoption.

During the quarter, HBC achieved important regulatory milestones, securing ingredient approvals in Australia and South Korea. These approvals enable market entry into two large and strategically important regions for vitamins, minerals, supplements, and functional foods, and form the basis for ongoing discussions with distribution partners aimed at future commercial launches. The Pet Nutrition B2B business also showed improvement compared with earlier quarters, supported by increased customer engagement, product evaluations, and growing interest in clinically differentiated solutions within joint health and healthy ageing applications.

The Consumer and Pet Health (B2C) business continued its structural improvement trajectory during the fourth quarter. While revenues were broadly stable year-on-year, profitability improved materially, reflecting cost-efficiency measures implemented earlier in 2025, improved supply conditions, and a more robust product mix. These developments position the B2C business for renewed growth as the company enters 2026 with improved inventory availability and new customer agreements.

Research and development remained a core strategic focus. A key milestone was reached with the peer-review publication of the CalGo® bone health study, confirming prevention of further bone loss and indicating a trend toward increased bone mass. Preparations progressed for additional clinical studies, including an NT-II™ joint health trial scheduled to commence in early 2026, and continued work on ProGo® within metabolic and cognitive health. Within pharmaceutical development, the company's U.S. research spin-out, AecorBio Inc., advanced its oncology and asthma programs, supported by encouraging preclinical results and strengthened intellectual property protection.

From a financial and governance perspective, the company was in process with a private placement in the quarter, restoring compliance with financial covenants on the date of this report, following a temporary breach at the end of the third quarter. The private placement is expected completed in Q2 2026, and the transaction will strengthen liquidity and the balance sheet, providing financial flexibility to support ongoing operations, R&D activities, and strategic initiatives. In parallel, the company continued to strengthen its ESG and organizational framework, including the introduction of a Supplier Code of Conduct and the implementation of a new digital HR system to improve transparency, governance, and internal communication.

Financial results

Revenues and profits

The Group generated gross operating revenues of NOK 256.3 million in 2025, down from NOK 265.5 million in 2024, including net revenue from the sale of patents of NOK 8.1 million. Correspondingly, the parent company recorded

gross revenues of NOK 259.9 million, compared to NOK 267.0 million in 2024. Operating costs, excluding depreciation and amortization, amounted to approximately NOK 329.3 million in 2025, compared with NOK 330.8 million in 2024. For the parent company, operating expenses were around NOK 326.4 million in 2025 versus NOK 319.4 million in 2024.

The Group reported an operating loss of NOK 112.3 million in 2025, compared with a loss of NOK 105.1 million in 2024, while the parent company's operating loss was NOK 102.7 million in 2025 versus NOK 88.4 million in 2024. Net financial result for the Group was NOK -22.4 million in 2025, compared with NOK -20.2 million in 2024; for the parent company, the net financial result was NOK -24.9 million in 2025 and NOK -9.5 million in 2024.

Consequently, the Group's loss before tax amounted to NOK 134.7 million in 2025, as opposed to NOK 125.3 million in 2024, while the parent company's loss before tax was NOK 127.6 million in 2025 compared to NOK 97.9 million in 2024. With no tax expense recognized in either period, the Group's net loss for the year stood at NOK 134.9 million in 2025, compared with a net loss of NOK 125.3 million in 2024; correspondingly, the parent company recorded a net loss of NOK 127.6 million in 2025 versus NOK 97.9 million in 2024.

Financial position

As of 31 December 2025, the Group's consolidated balance sheet totaled NOK 394.3 million, down from NOK 339.4 million at the end of 2024. The Group's equity decreased to NOK negative 75.5 million in 2025, corresponding to an equity ratio of -19.2%, compared to NOK 60.0 million (17.5% equity ratio) at the end of 2024. The parent company's balance sheet total was NOK 443.3 million in 2025 compared to NOK 377.3 million in 2024, with equity amounting to NOK -6.3 million in 2025 versus NOK 120.4 million in 2024; the corresponding equity ratio for the parent company was -1.4% in 2025 versus 31.9% at the end of 2024.

At year-end 2025, the Group held cash and cash equivalents of NOK 67.1 million, up from NOK 28.6 million at the end of 2024. Including available credit facilities, the Group had total liquidity of NOK 77.5 million.

At the end of 2025 the Group had NOK 188.6 million in long-term interest-bearing debt, compared to NOK 25.1 million last year. The parent company had NOK 188.6 million and NOK 25.1 million respectively. The group had NOK 89.6 million in long term lease liabilities per year end and NOK 86.6 million in 2024. The parent company had NOK 76.7 million and NOK 71.8 million respectively. The Group had short-term interest-bearing debt of NOK 56.5 million from draw down credit facilities, compared to NOK 48.0 million last year. The parent company had NOK 56.5 million and NOK 48.0 million for 2025 and 2024 respectively. Short-term lease obligations amounted to NOK 15.7 million per year end of 2025, compared to NOK 11.2 million in 2024 for the Group. The parent company had short-term lease liabilities of NOK 13.8 million and NOK 9.4 million for 2025 and 2024. Other current liabilities amounted to NOK 24.8 million for the Group, compared to NOK 15.6 million per year end 2024.

Cash flows

For the full year 2025, the Group's cash flow from operating activities amounted to NOK -27.8 million, compared to a negative cash flow of NOK 11.4 million in 2024. Net cash flow from investing activities was NOK -20.5 million in 2025, compared to NOK -4.1 million in 2024. Financing activities generated a net cash inflow of approximately NOK 91.5 million in 2025, compared to NOK 15.5 million in 2024. Consequently, the net change in cash and cash equivalents for 2025 was NOK 41.5 million, resulting in an ending balance of NOK 67.1 million, up from NOK 25.6 million at the close of 2024. The parent company's cash flows were as follows: operating activities of NOK -91.0 million, investing activities of NOK -2.9 million, and financing activities of NOK 101.1 million for 2025, compared with NOK 2.1, NOK -4.0 and NOK 2.4 million in each category in 2024.

Going concern

In accordance with the accounting act § 2-2(8)

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we confirm that the condition for continued operations is present and that the annual report have been prepared based on the going concern assumption.

The company has a credit facility of 67 million NOK, whereof 10.5 million NOK is available as of the end of the year. Additionally, the board has been authorized by the extraordinary General Meeting held on 20 November 2025 to issue up to 96,578,428 new shares. These authorizations are intended to be utilized in case the parent company requires additional equity and liquidity.

As of 31 December 2025, the Company is not in breach with any covenants or loan conditions, as the company has agreed to include certain unsecured loans for calculations of covenant equity.

The Group is exposed to liquidity and refinancing risks related to the maturity profile of its financial liabilities and the requirement to maintain sufficient liquidity to meet interest and principal payments as they fall due. Continued covenant compliance and debt servicing capacity depend on the Group generating sufficient operating cash flows and maintaining access to financing.

Management monitors liquidity and covenant compliance closely and based on current forecasts the Board considers it appropriate to prepare the financial statements on a going concern basis. Refer to note 16 for more details on the Group's and the parent company's interest-bearing debt conditions, as well as note 18 for information on liquidity risk and the maturity structure of the Group's liabilities.

The operations of the Group are subject to uncertainty with respect to its ability to sell products at favorable margins and maintain adequate cash reserves. If additional resources are needed to ensure continuity of operations and support planned activities aimed at generating positive cash flow and profitability, the Board will consider appropriate measures such as obtaining loans or equity.

The current outlook indicates a positive trend, and the Board will take necessary steps to sustain this momentum. If the group and the parent company do not meet the financial targets, the group will take steps to secure

additional liquidity in 2026.

In October 2025, the Company announced a successful placing of new ordinary shares with gross proceeds of NOK 158 million. As of the date of this Annual report, the Company still has not received all share deposits and has not been able to complete the transaction. The Board still expect the transaction to be completed in Q2 2026 to strengthen the Company balance sheet and cash balance.

Due to the factors described above, there is material uncertainty for the Company to continue as a going concern over the next 12 months. Assuming a going concern, the group's and the parent company's assets and values are currently present. However, the value of some of the group's and the parent company's assets may be lower than their carrying amounts in a potential forced sale related to liquidation. This uncertainty is primarily related to the value of intangible assets, fixed assets, financial assets, and investments, as well as the value of inventories.

Allocation of earnings

Net loss for the parent company Hofseth BioCare ASA is NOK -127.6 million in 2025. The board proposes the following allocation of the loss:

Share premium:	-117.2 million
Uncovered loss:	-10.4 million
Total:	-127.6 million

Risk and risk management

Risk management

The Group operates in an industry exposed to multiple risk factors. These risks stem not only from inherent production processes but also from external factors such as supplier conditions, customer dynamics, evolving regulatory frameworks, and broader market trends. Any adverse developments in these areas may negatively affect the Group's business, financial position, and its ability to execute projects. For a more detailed discussion, please refer to note 18 "Financial Risk Management" in the financial statements.

Operational risk

The biotechnology sector is characterized by

tightly integrated and interdependent production processes. At Hofseth BioCare, production is highly integrated across various stages, meaning that any disruption in a single step could halt part or all the production line. In recent years, significant improvements have been made to the production lines, providing enhanced resilience in the event of a breakdown in one component. Comprehensive monitoring systems are in place, and staff continuously optimize processes to maintain operational continuity. Contingency measures have been implemented and are monitored in real time to ensure that, should a critical function fail, alternative processes can be quickly activated. The expertise and stability of the workforce, especially at the Midsund plant, where most production occurs, remain essential in mitigating downtime and protecting revenues.

Market risk

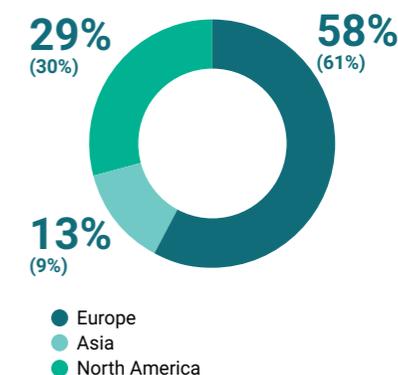
The Group mitigates market risk by diversifying its geographical footprint and market areas. With distributors operating in more than 60 countries, local market expertise is leveraged to tailor sales strategies across Europe, North America, and Asia. In addition to targeting multiple areas within human nutrition, such as sports nutrition, supplements, and health foods, the Group also serves the pet and feed industries, further reducing reliance on any single market.

Recent geopolitical uncertainties, including ongoing wars and significant political and macro financial changes observed in 2025 and into 2026, have added a layer of complexity to the global market environment. These developments can disrupt supply chains, alter regulatory landscapes and geographical focus, and affect consumer confidence, potentially leading to fluctuations in demand and pricing. The Group actively monitors these geopolitical risks and is prepared to adjust its market strategies to mitigate any adverse impacts on sales and overall business performance.

Foreign exchange risk

Hofseth BioCare conducts transactions in multiple currencies, primarily US dollars and Euros. Exchange rate fluctuations inherently affect both the cost of raw materials and the pricing of products sold internationally. The

Geographical spread revenue



Consolidated balance NOKm



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uncertainty stemming from global geopolitical tensions, exacerbated by conflicts and political shifts seen in 2024, 2025 and expected to continue into 2026, has increased the volatility of currency markets. These uncertainties can lead to unpredictable swings in exchange rates, impacting revenue streams and cost structures.

To manage this exposure, the Group employs currency hedging strategies designed to stabilize cash flows and provide more predictable cost bases. However, despite these measures, residual volatility remains a challenge. Continuous monitoring and agile financial planning are essential to navigate these turbulent conditions, ensuring that the Group can respond effectively to rapid changes in the global economic landscape.

Interest rate risk (own financing, deposits) Changes in general interest rates can influence the cost of financing as well as the value of the Group's assets. Given the reliance on external financing and the management of deposits, fluctuations in interest rates are closely monitored as part of the broader risk management strategy.

Credit risk

To minimize potential losses from customer defaults, the Group continuously assesses the creditworthiness of its customers. All receivables are either insured through Coface Norway or secured via upfront cash payments prior to shipment. By targeting medium to large, well-established business associates with robust credit ratings, Hofseth BioCare limits its

exposure to credit risk while supporting a stable marketing and distribution strategy.

Financial and liquidity risk

Liquidity management is a central component of the Group's risk strategy. As of 31 December 2025, the Group reported cash and cash equivalents of NOK 67.1 million, with total available liquidity, including credit facilities, amounting to NOK 77.5 million. The Group closely monitors its cash flow forecasts monthly to ensure that adequate cash reserves and credit lines are maintained.

The credit facility balance drawn and the total facility amount are reported as NOK 56.5 million and NOK 67 million, respectively. These measures help safeguard against unforeseen cash shortages and support ongoing investment and operational needs.

Risk insurance

While proactive risk management is in place, certain risks cannot be entirely eliminated through internal controls. Hofseth BioCare mitigates these residual risks through a comprehensive insurance portfolio. The insurance coverage includes business interruption, equipment and property damage, third-party and product liability, directors' and officers' liability, as well as various personnel-related risks.

Organization

Hofseth BioCare AS was founded in 2009, with the conversion to a publicly listed company

(ASA) in 2011. At the end of 2025, Hofseth BioCare Group had a total of 84 employees. The company's work related to the Equality statement (ARP statement) is described in the company's ESG report, which is available on the company's webpage.

Working environment

The group's working environment is considered good. The Board emphasizes great importance and priority to reduce absenteeism and preventing injuries. Five work-related accident occurred during the year that resulted in absence. Long-term absence in 2025 was 4.13%, compared to 1.43 % in 2024, short-term absence was 2.71 %, compared to 3.14 % in 2024. Total absence was 6.84 % in 2025 compared to 4.56 % in 2024. Risk analysis is the basis for measures to be taken to prevent damage or other adverse events to occur. This is a key element in Hofseth BioCare's work with HSE.

Understanding risk is essential to prevent dangerous situations. This will be handled continuously and HSE training is considered good. Risk analysis work is being followed up continuously. If HSE non-conformities occur, measures will be put in place to prevent such non-conformities from happening again. Hofseth BioCare has a partnership with Medi3 who takes care of occupational health in the Group. All employees will also in 2026 undergo a medical examination. For HBC Berkåk AS an occupational health agreement has been established with Falck. This is a requirement for all companies that belong to our industry group ref. Section 13 of the Regulations for

organization, leadership, and participation.

Equality

Hofseth BioCare aims to practice equality and avoid discrimination in all aspects of our HR and recruitment policies. Hofseth BioCare actively works consciously to equally promote recruitment of female and male managers and employees. At the end of 2025, 20 of 84 employees in Hofseth BioCare were female, 1 of 4 members of the management team were female, and on the Board of Directors, 3 of 6 members were female.

Environment

Hofseth BioCare is working to reduce its environmental impact in several areas. The main environmental impact is related to the plant in Midsund. The emissions are mostly associated with the production process which incur some emissions to air and sea, although we aim to always satisfy the restrictions for such emission.

Hofseth BioCare is also working on minimizing its total energy consumption. All organic material that has not been heat-treated goes through a treatment plant and is treated with acid with the right pH and holding time before it is discharged into the sea. Hofseth BioCare has routines for sampling and measurement of wastewater to be within the imposed requirements. All waste from the production at Midsund are sorted and delivered to recycling, or disposal as hazardous waste. Organic waste from the process is delivered to approved manufacturers of biogas. Residual waste is collected in a separate compactor and delivered to the incinerator. Plastic, cardboard and paper are sorted and delivered to recycling. Waste from our laboratory is collected and delivered in special containers as special waste. Steel and electric waste is delivered to an approved landfill.

Hofseth BioCare transports mainly by road and sea to our customers around the world. Through the optimization of transport and raw material sourcing by trucks within Norway, the group aims to reduce the need for long-haul operations. Transport of finished products are mainly to Europe, Asia and the United States. For Europe, transport is done by road, by railway, or sea. To the United States and Asia, we transport mainly by sea. The group intends to transport more goods by rail and boat if solutions for

Injury and illness absence

	Berkåk 2025	Midsund 2025	Adm. 2025	Group 2025
Total absence (%)	13.06	6.99	1.13	6.84
Total working hours (all) -specification:	14 949	60 782	30 771	106 501
Short term absence (%)	0.80	3.22	0.32	2.71
Long term absence (%)	12.26	3.77	0.81	4.13
Number of injuries	0	5	0	5
Number of work-related accidents	0	12	0	12

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such transport can compete with road transport regarding speed and infrastructure.

Corporate social responsibility

See our separate ESG report prepared about the strategy to take an active responsibility around our business. This is published on the company's webpage at the date of publication of the Annual report.

Transparency Act

The company will publish a separate report on the company's webpage before 30.06.2026.

Shareholders

At the end of the year the company had 1,638 shareholders. For further details about the shareholders, see note 24 to Hofseth BioCare ASA's financial statements. The company has no provisions restricting the right to sell the Company's shares.

Related parties

Related party transactions are made on commercial terms in accordance with the «arm's length» principle. A complete and detailed overview of transactions with related parties is included in note 6 to Hofseth BioCare ASA's financial statements.

Corporate governance

Hofseth BioCare ASA aims to maintain a high standard of corporate governance. A healthy corporate culture is the key to retain confidence in the company, ensuring access to capital and ensuring a high degree of value creation over time. All shareholders are treated equally and there should be a clear divide of roles and responsibilities between the Board and management.

Hofseth BioCare follows the Norwegian Code of Practice for Corporate Governance of 30 October

2014. A more complete description of how Hofseth BioCare follows the recommendation and the 15 provisions, can be found on <https://hofsethbiorcare.com/investors/corporate-governance>

Outlook

Hofseth BioCare enters 2026 with strengthened operational capabilities, expanding scientific validation, and a clearer strategic focus on higher-value marine ingredients for human and pet health. The progress achieved during 2025 including record production volumes, continued development of the Company's clinical pipeline, and important steps toward expanding production capacity, we are confident in our ability to drive continued growth and innovation in both human and pet nutrition.

Operationally, the company has demonstrated its ability to scale production while maintaining quality and process stability. During 2025, the Midsund facility achieved record processing volumes and validated an annualized capacity of approximately 24,000 tons of raw material. As we look ahead, HBC will continue its strategic transition toward higher-margin human and pet health ingredients while reducing exposure to commodity markets. Demand for scientifically validated marine peptides and oils remains strong across key regions, particularly in Asia and USA. During the coming year, our close collaboration with key distribution partners will help us navigate through ongoing geopolitical uncertainties and adjust our strategies as needed, while we focus on expanding customer partnerships, strengthening distribution networks, and leveraging new regulatory approvals to support market entry into additional regions, including Australia and South Korea.

Research and development will remain a cornerstone of our long-term value creation strategy. Collaborating with esteemed research institutions and clinical partners, we will further elucidate the therapeutic benefits of our products, paving the way for new applications and innovative formulations that address evolving consumer needs. Our focus in 2026 is on commercializing on existing research to achieve further sales growth and transitioning to a positive EBITDA while upholding rigorous financial discipline and long-term value creation. Within pharmaceutical development, AecorBio Inc. will continue advancing its oncology and inflammatory disease programs, supported by strengthening intellectual property protection and encouraging preclinical data and expected IND status in 2026.

A key strategic initiative for the next years, is the expansion of our production capacity at the Berkåk facility to convert the Berkåk site into a state-of-the-art multi-species enzymatic hydrolysis plant to meet growing global demand for marine bioactive ingredients.

The Board also recognizes that the company operates in a dynamic and sometimes challenging market environment, including volatility in raw material availability, commodity prices, and global supply chains. Sustainability remains deeply embedded in Hofseth BioCare's business model. By upcycling fresh salmon off-cuts into clinically validated bioactive ingredients, the company contributes to both improved human and animal health and the advancement of a circular marine economy. Continued improvements in ESG governance, supply chain transparency, and operational reporting will support the company's long-term sustainability objectives.

With a strengthened operational foundation, a differentiated science-based product portfolio, and clear strategic priorities, Hofseth BioCare is well positioned to pursue further growth in the years ahead. The company remains committed to delivering innovative marine-derived health solutions while creating sustainable long-term value for customers, partners, and shareholders.



Total employees
Hofseth BioCare Group

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Hofseth BioCare ASA Board of Directors,
Ålesund, 27 March 2026



Linda Christin Hoff
Chair of the board



Maria Bech
Board member



Crawford Currie
Board member



Christoph Baldegger
Board member



Amy Novogratz
Board member



Roger Hofseth
Board member



Jon Olav Ødegård
CEO



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Hofseth BioCare ASA – 1 January – 31 December

	Note	Consolidated (IFRS)		Parent company (IFRS)			Note	Consolidated (IFRS)		Parent company (IFRS)	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024			31.12.2025	31.12.2024		
<i>(Amounts in NOK 1 000)</i>											
Assets						Equity and liabilities					
Non-current assets						Equity					
R&D, patents etc.	2, 10	36 499	42 430	36 499	42 430	Paid in equity					
Total intangible assets		36 499	42 430	36 499	42 430	Share capital	5, 24	4 111	4 111	4 111	4 111
Machinery and equipment	11	46 895	41 802	27 316	38 622	Share premium		0	55 934	0	116 311
Right of use assets	12	96 959	93 724	82 565	77 147	Other paid in equity		0	0	0	0
Fixtures and fittings	11	3 079	2 458	2 944	2 458	Total paid in equity		4 111	60 044	4 111	120 422
Total fixed assets	2	146 932	137 983	112 825	118 227	Retained earnings					
Investment in subsidiary	7, 22	0	0	124 831	11 231	Other paid in equity		0	0	0	0
Investment in associate and joint venture	22	47 853	45 699	45 082	47 080	Total retained earnings (+) Uncovered loss (-) (attributable to equity holders of the parent)		-78 955	0	-10 432	0
Non-current financial assets	15	1 195	1 247	1 195	1 247	Non-controlling interests	22	-690	-689	0	0
Total non-current financial assets		49 048	46 946	171 108	59 559	Total equity	2, 6	-75 534	59 356	-6 321	120 422
Total non-current assets		232 479	227 359	320 432	220 216	Non-current liabilities					
Current assets						Interest-bearing loans and borrowings	6, 13, 16, 18	139 003	25 100	139 003	25 100
Inventory	2, 6, 19	59 826	55 917	58 752	55 203	Lease liabilities	6, 12, 13	89 585	86 543	76 687	71 822
Trade receivables	2, 6, 20	21 520	18 853	21 131	18 716	Total non-current liabilities	16, 17, 18	228 588	111 643	215 690	96 922
Other current receivables	5, 20	13 397	11 716	14 314	59 885	Current liabilities					
Cash and cash equivalents	21	67 050	25 577	28 645	23 232	Interest-bearing loans and borrowings	6, 16, 13	56 532	48 020	56 532	47 750
Total current assets	14, 15	161 794	112 063	122 843	157 035	Lease liabilities	6, 12, 13	15 656	11 217	13 833	9 412
Total assets	2, 25	394 273	339 422	443 275	377 251	Trade payables	6, 23	94 619	93 629	84 806	88 659
						Other liabilities	23	74 410	15 557	78 735	14 087
						Total current liabilities	16, 17, 18	241 218	168 424	233 906	159 908
						Total liabilities	14, 16, 18	469 806	280 067	449 596	256 829
						Total equity and liabilities	2, 25	394 273	339 422	443 275	377 251

Linda Christin Hoff
Chair of the board

Maria Bech
Board member

Crawford Currie
Board member

Christoph Baldegger
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Board member

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CEO

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(Amounts in NOK 1 000)	Note	Consolidated (IFRS)		Parent company (IFRS)	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
Cash flow from operating activities					
Loss before tax		-134 706	-125 300	-127 580	-97 898
Paid tax	8	176	0	0	0
Write down shares	22	0	0	1 999	1 444
Gain on sale of assets	22	0	-8 122	0	-8 122
Depreciation and impairment	2, 10, 11, 12	39 412	39 781	36 160	36 023
Result from associated company/joint venture	22	-2 154	7 484	0	0
Change in inventory	19	-3 910	26 626	-3 550	26 236
Change in trade receivables	20	-2 667	-4 004	-2 415	-4 622
Change in trade payables	23	990	38 468	-3 853	39 622
Change in other accruals		2 881	-144 399	-62 357	-143 940
Reclassification from trade payables to subordinated loan	23	52 500	144 000	52 500	144 000
Items classified as financing activities		19 671	14 065	18 069	9 360
Net cash flows from operating activities		-27 806	-11 400	-91 027	2 105
Cash flow from investing activities					
Aquisition of tangible fixed assets	11	-19 732	-2 444	-2 130	-2 411
Proceed from sale of fixed assets		0	0	0	0
Investment in associated company/joint venture		0	0	0	0
Investment in intangible assets	10	-733	-1 629	-733	-1 629
Net cash flow from investing activities		-20 465	-4 074	-2 863	-4 040
Cash flow from financing activities					
Transaction costs on issue of shares		-1 147	-292	-1 147	-292
Proceeds from new borrowings	6, 16, 13	115 818	25 100	115 818	25 100
Interest received	7, 12	2 000	790	2 297	3 612
Interest paid	6, 7, 12, 13	-19 912	-14 855	-18 607	-12 972
Net change credit facility	6, 16, 13	8 783	19 397	8 783	19 397
Repayment of borrowings	6, 16, 13	-271	-541	0	0
Payment of lease liabilities	6, 12, 16, 13	-13 768	-12 440	-11 963	-10 503
Proceeds from borrowings from subsidiary/JV	23	0	0	5 881	0
Payment borrowings from subsidiary/JV	23	0	0	0	-21 925
Net cash flow from financing activities	17, 18	91 503	17 159	101 061	2 417
Cash and cash equivalents at 1 January		25 577	23 890	23 232	22 751
Net foreign exchange differences		-1 759	0	-1 759	0
Net change in cash and cash equivalents		43 232	1 686	7 172	481
Cash and cash equivalents at 31 December	21	67 050	25 577	28 645	23 232

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Consolidated (IFRS)

(Amounts in NOK 1 000)	Note	Share capital	Share premium	Other paid in capital	Uncovered loss	Non-controlling interests	Total equity
As of 1 January 2024		3 951	37 876	0	0	-687	41 140
Share issue January 4th 2024		160	143 840	0	0	0	144 000
Share issue cost		0	-292	0	0	0	-292
Other changes		0	-193	0	0	0	-193
Net loss for the period		0	-125 298	0	0	-2	-125 300
Other income and costs		0	0	0	0	0	0
Total comprehensive income		0	-125 298	0	0	-2	-125 300
As of 31 December 2024	2, 5, 24	4 111	55 934	0	0	-689	59 356
As of 1 January 2025		4 111	55 934	0	0	-689	59 356
Share based payment program		0	1 984	0	0	0	1 984
Share issue cost		0	-1 147	0	0	0	-1 147
Other changes		0	-845	0	0	0	-845
Net loss for the period		0	-55 926	0	-78 955	-1	-134 882
Other income and costs		0	0	0	0	0	0
Total comprehensive income		0	-55 926	0	-78 955	-1	-134 882
As of 31 December 2025		4 111	0	0	-78 955	-690	-75 534

Parent company (IFRS)

(Amounts in NOK 1 000)	Note	Share capital	Share premium	Other paid in equity	Uncovered loss	Total equity
As of 1 January 2024	2, 5, 24	3 951	70 661	0	0	74 612
Share issue January 4th 2024		160	143 840	0	0	144 000
Share issue cost		0	-292	0	0	-292
Net loss for the period		0	-97 898	0	0	-97 898
Other income and costs		0	0	0	0	0
Total comprehensive income		0	-97 898	0	0	-97 898
As of 31 December 2024	2, 5, 24	4 111	116 311	0	0	120 422
As of 1 January 2025		4 111	116 311	0	0	120 422
Share based payment program		0	1 984	0	0	1 984
Share issue cost		0	-1 147	0	0	-1 147
Net loss for the period		0	-117 148	0	-10 432	-127 580
Other income and costs		0	0	0	0	0
Total comprehensive income		0	-117 148	0	-10 432	-127 580
As of 31 December 2025		4 111	0	0	-10 432	-6 321

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Note 1 Accounting policies

General information

Hofseth BioCare ASA is a public limited liability company domiciled in Ålesund, Norway. The company's headquarter is in Keiser Wilhelmsgate 24 in Ålesund, with one manufacturing facility in the municipality of Molde and one manufacturing facility in the municipality of Rennebu. The annual financial statements were approved for issuance by the board of directors 27 March 2026.

The Group's operation is the processing of fish offcuts into high quality protein and other food supplements.

The company's consolidated financial statements for 2025 consist of the parent company and the subsidiaries HBC Berkåk AS, HBC Therapeutics AS, Hofseth BioCare Rørvik AS, HBC Switzerland GmbH, Hofseth Biocare UK Limited and Hofseth Biocare Americas Holdings Inc. (the Group).

Basis of preparation

The consolidated financial statements and the parent company financial statements of Hofseth BioCare ASA have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU as of 31 December 2025, as well as the additional disclosure requirements following from the Norwegian accounting act as of 31 December 2025.

The consolidated financial statements and the parent company financial statements are prepared on the historical cost basis, with the exception of financial instruments that are measured at fair value with changes in value through profit or loss.

The consolidated financial statements and the parent company financial statements have been prepared applying consistent accounting policies for similar transactions and event.

Basis for consolidation

(i) Subsidiaries

The consolidated financial statements include Hofseth BioCare ASA and companies controlled by Hofseth BioCare ASA. Companies are determined to be controlled when the Group is exposed to, or has rights to, variable returns as a result of the involvement from the Group, and the Group is able to influence the returns through its power over the company. All the following criteria must be fulfilled:

- › power over the company
- › exposed to, or have rights to, variable returns from its involvement in the company invested in, and
- › possibility to exercise its power over the company to influence the amount of the returns

(ii) Associated companies

Associated companies are units in which the group has significant influence, but not control over the financial and operational management (normally with an ownership share between 20% and 50%). Significant influence is the power to participate in financial and operational decisions in principle in the company, but where Hofseth BioCare still has no control or joint control. In the case of an ownership interest of less than 20%, in order to be treated as an associated company, it must be clearly demonstrated that significant influence exists, for example through shareholder agreements. The consolidated financial statements include the group's share of profit from associated companies recognized according to the equity method from the time significant influence is achieved and until

such influence ceases. When the group's share of negative profit exceeds the value of the investment, the carrying amount of the investment decreases to zero and recognition of additional negative profit ceases. The exception is those cases where the group has an obligation to cover negative results.

(iii) Joint venture

A joint venture is a type of joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

(iv) Elimination of transactions in the consolidation

Group internal balances and any unrealised gains or losses or revenues and costs related to intra Group transactions, are eliminated in full in the consolidated financial statements.

(v) The non-controlling interest in the consolidated financial statements is the non-controlled share of the Group's equity. In business combinations the non-controlling interest is measured including the non-controlling interest's share of the acquired entity's identifiable net assets. The subsidiary's annual result, together with the individual components recognized in other comprehensive income, is attributable to the parent company and the non-controlling interests. Total comprehensive income is attributed to the share holders of the parent company and to the non-controlling interests even if this results in negative non-controlling interests.

Functional currency and presentation currency

The Group's presentation currency is NOK, which is also the functional currency of all Norwegian companies in the Group. The Companies abroad uses local currency as their functional currency. All amounts are presented in NOK 1 000 unless specifically noted.

Use of estimates when preparing the annual financial statements

Management has to some extent used estimates and assumptions which have affected assets, liabilities, revenues, expenses, and information of potential commitments. Future events may cause changes in the estimates. Estimates and the underlying assumptions are assessed continuously. Changes in accounting estimates are recognized in the period the changes occur. To the extent the changes also affect future periods, the effect is allocated over the current and future periods. See note 2.

Foreign currency

Transactions in foreign currency are translated at the exchange rates prevailing at the date of the transaction. Monetary items in foreign currency are translated at the exchange rate at the balance sheet date. Currency exchange gains and losses are recognized in the income statement and presented as financial income/financial expense.

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Revenue recognition policies

Revenues are primarily generated from manufactured own goods within the following product types:

- › Salmon oil (OmeGo®)
- › Water-soluble protein (ProGo®)
- › Calcium (CalGo® and NT-II™)
- › Non-soluble protein (PetGo™)

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers with an amount that reflects the consideration that the Group expects to be entitled to in exchange for delivered goods and services. Control is normally transferred to the customer when goods are sent from the warehouse to the customer.

To the extent the customers enter into a contract for the purchase of goods, which the customers wish to continue to store at Hofseth BioCares' warehouse, the consideration is recognized as revenue when control has passed to the purchasing party. The customers have a desire to continue storing on the group's stock as a result of requirements for moisture, temperature, etc. when storing the goods, especially Calcium and Protein. In such sales, there is an agreement of control transfer to the customers for the actual delivery of the goods. The parent company and the group also earn revenues from the service of storing the goods, which are recognized at a fixed price per month in storage. The Group assesses whether there are obligations in the sales contracts that are separate performance obligations, and for which parts of the transaction price must be allocated or agreed variable payment terms in the contracts. The parent company and the group have offered rights of return when selling from the web-stores to customers in the human market and have factored in an estimated level of returns when calculating revenue. Furthermore, the Group also assesses whether there are significant financing components in the sales contracts (advance payment, extra long credit terms, etc.).

Trade receivables

A receivable represents the Group's right to payment of an amount which is unconditional (i.e. the agreed credit time before payment of the consideration falls due). See accounting principles for financial assets' initial recognition and subsequent measurement. Payment terms in the group's customer contracts vary from 0 days to 90 days.

Segments

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses. The Group's operating results are regularly reviewed by the managing director to monitor the Group's results and make decisions about resource allocations.

As the Group has one common and not separable manufacturing process for its products, management focuses its financial review on revenues and quality generated from the manufacturing process. Management monitors the financial results at Group level and, hence, the Group only has one segment. Information about products is presented in note 3.

Government grants

Government grants are recognised at the time it is reasonably assurance that the company complies with the requirements stated to be eligible for the grants and will receive payment. Grants relating to operating expenditures are recognised systematically over the grant period. Grants are recognised against the costs the grant is meant to cover. Grants for investments are recognised systematically over the asset's useful lives. Grants for investments are recognised as a reduction to the related assets' carrying amount.

Employee benefits

Defined contribution pension plan

A defined contribution pension plan is an arrangement in which the employer pays fixed contributions

to a fund or a pension fund, and in which the parent company and the group has no further legal or constructive obligations to pay additional contributions. The contributions are recognized in the income statement as salary related costs in the period in which the employee renders the service.

AFP pension plan

The group is affiliated with the AFP scheme, which is a collective pension scheme for the collectively agreed sector in Norway.

Accounting-wise, the scheme is considered a defined benefit multi-employer scheme. However, the group is unable to identify its share of the scheme's underlying financial position and performance with sufficient reliability. Therefore, the scheme is accounted for as a defined contribution scheme.

As a result, obligations from the AFP scheme are not recognized on the balance sheet. Premiums to the scheme are expensed as they accrue.

Financial income and financial expenses

Financial income consists of interest income, dividends, foreign exchange gains and gains from sale of financial instruments. Interest income is recognised when earned, calculated using the effective interest rate method, while dividends are recognised on the date of the general meeting approving the dividends.

Financial expenses consist of interest expenses, guarantee commissions, foreign exchange losses and losses from sale of financial instruments. Interest expenses and guarantee commissions are recognized when incurred, calculated using the effective interest rate method.

Income taxes

Income tax expenses consist of current taxes payable and changes in deferred taxes. Current taxes payable are taxes payable or tax receivables related to taxable income or loss for the year, based on tax rates substantively enacted at the balance sheet date. Changes in calculated current taxes payable related to prior years are included in the amount.

Deferred tax/deferred tax assets are calculated on all temporary differences between carrying amounts and tax bases for all assets and liabilities on the balance sheet date.

Deferred taxes are calculated using the tax rate expected to be applicable at the time of reversal of the temporary differences.

Deferred tax assets are recognised to the extent the company is expected to have sufficient taxable income in future periods to utilize the tax benefit. The companies recognize previously unrecognized deferred tax assets to the extent it has become likely that the company may utilize the deferred tax benefit. Likewise, the company will reduce deferred tax assets to the extent the company no longer expects that it will be able to utilise the deferred tax benefit.

Deferred tax and deferred tax assets are measured at nominal values. Deferred tax liabilities are presented as provisions/long term liabilities in the balance sheet, while deferred tax assets are presented as intangible assets.

Intangible assets

Intangible assets acquired separately are recognised at their cost price. The cost price for intangible assets acquired are recognised at fair value in the Group. Recognised intangible assets are accounted for at cost less any depreciation and impairment write-down.

Internally generated intangible assets, except for recognised development costs, are not recognised, but expensed as incurred.

Intangible assets with finite useful life are depreciated over their useful lives and tested for impairment when impairment indicators are present. Depreciation methods and useful lives are assessed annually

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as a minimum. Changes to depreciation method and/or useful life are accounted for as estimate changes.

Patents and licences

Acquisition costs for patents and licences are recognised and depreciated over their estimated useful lives.

Development activities

Expenditures on research are recognised in the income statement as incurred. Expenditures on development activities, including product development (new or improved products) are recognized when all the following criteria are fulfilled:

- › It is technically possible to complete the asset / product in such a way that the Group may use or sell the asset /product in the future
- › It is management's intention to complete the asset / product, as well as to use or sell the asset / product
- › It is possible to use the asset / sell the product
- › How the asset / product will generate future revenues can be proven
- › The Group has sufficient technological and financial resources available to complete the asset / development of the product
- › The costs can be reliably measured

Recognised costs include cost of material, consultant fees and direct salary costs. Other development costs are recognized in the income statement as incurred. Previously expensed development costs are not subsequently capitalized. Recognised development costs are depreciated on a straight-line basis over the assets / products estimated useful lives.

Fixed assets

Fixed assets are measured at cost, less accumulated depreciations and impairment write-downs. Fixed assets are derecognized when sold or disposed of and any gains or losses are recognized in the income statement.

Acquisition cost for fixed assets is the cost price and costs directly associated with getting the asset ready for its intended use.

Expenditures incurred after recognition of the fixed asset, such as day-to-day maintenance, are recognized in the income statement as incurred, while expenditures expected to generate future economic benefits are recognized in the carrying amount. Depreciation period, depreciation method and residual values are assessed annually.

Fixed assets are carried at cost until manufacturing or development has been completed. Fixed assets under construction are not depreciated until the assets are ready for their intended use.

When significant components of a property, plant and equipment are determined to have different useful lives, they are accounted for as separate components.

Each component of property, plant and equipment is depreciated on a straight-line basis over its estimated useful life, as this is considered to best represent the consumption of the future economic benefits of the assets. Land is not depreciated. Estimated useful life for the current period and depreciation periods are disclosed in note 11. Depreciation method, useful life and residual values are reassessed at the balance sheet date and adjusted if found necessary. When the carrying amount of a fixed asset or a cash-generating unit is higher than the recoverable amount, the asset is written-down to its recoverable amount. Recoverable amount is the higher of value in use and fair value less costs of disposal.

Investment in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are assessed according to the cost method in the company financial statements. Investments are valued at acquisition cost, unless impairment has been necessary. Write-downs have been made at fair value when impairment is due to reasons that cannot be expected to be temporary. Impairment losses are reversed when the basis for impairment is no longer present.

Dividends and other distributions are recognized as income when adopted at the general meeting of the subsidiaries. If dividends exceed the retained earnings after the acquisition, the excess part represents repayment of invested capital, and the dividends are deducted from the value of the investment in the balance sheet.

Leases

For contracts constituting or containing a lease, the company and the group separate lease components if the underlying asset may be used either on its own or together with other resources easily available to the company and the group, and the underlying asset is neither dependent nor interrelated on other underlying assets in the contract. The company and the group then account for each single lease component in the contract as one lease contract separately from the non-lease component in the contract.

At the time of commencement of a lease contract the company and the group recognize a lease liability and a corresponding right of use asset for all leases, except for the following exemptions elected under the standard:

- › Short-term leases (lease term of 12 months or less)
- › Low value assets

For such leases the company and the group recognize the lease payments as other operating expenses in the profit or loss when incurred.

Lease liabilities

The company and the group measure the lease liabilities at the present value of the lease payments to be made over the lease term at the commencement date. The lease term is the non-cancellable period of the lease, in addition to periods covered by options to extend or terminate the lease if it is reasonably certain that the group will (will not) exercise the option.

The lease payments included in the measurement of the lease liability consist of:

- › Fixed lease payments (including in substance fixed payments), less any lease incentives receivable
- › Variable lease payments which are dependant on an index or rate, measured for the first time using the index or rate applicable at the commencement date
- › Amounts expected to be payable by the company and the group under residual value guarantees
- › The exercise price for an option to purchase the asset, if it is reasonably certain that the company and the group will exercise this option
- › Termination fee, if the lease term has been determined on the basis that the company and the group will exercise an option to terminate the lease

The lease liability is subsequently remeasured by increasing the carrying amount by an accretion amount on the lease liability, and reduce the carrying amount for lease payments made, as well as potential reassessments or changes to the lease agreement, or to reflect adjustments to lease payments as a result of a change in an index or a rate.

The company and the group do not include variable lease payments in the lease liability. Variable payments are recognized in the profit or loss as incurred. The company and the group present the lease liabilities in separate line items in the statement of financial position.

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Right of use assets

The company and the group measures right of use assets at cost, less accumulated depreciations and impairment losses, adjusted for potential new measurements of the lease liability.

Cost for the right of use assets comprise:

- › The amount established at initial recognition of the lease liability
- › All lease payments made at or before the commencement date, less lease incentives received if any
- › All direct expenditures incurred for the company and the group related to entering into the agreement

The group applies the depreciation provisions in IAS 16 Property, plant and equipment when depreciating the right of use asset, except for the fact that the right of use asset is depreciated from the date of commencement until the end of the lease period or the end of the asset's useful life, whichever is expected to take place first, unless there is an option to purchase the asset which has been determined to be exercised with reasonable certainty, in which case the right of use asset is depreciated over the expected economic life of the underlying asset.

The group applies IAS 36 «Impairment of assets» in order to determine whether the right of use asset has been impaired and, if this is the case, write it down for impairment.

Impairment of non-financial assets

Depreciable fixed assets and intangible assets are assessed for impairment when impairment indicators are identified. Impairment write-downs for the difference between the carrying amount and the recoverable amount are recognised in the income statement.

The recoverable amount for an asset or a cash generating unit is the higher of value in use and fair value less costs of disposal. When assessing value in use, estimated future cash flows are discounted to net present value using a pre-tax market-based discount rate. The discount rate includes the time value of money and asset specific risk. When testing for impairment, assets which are not tested individually are tested at a Group level representing the lowest level of identifiable cash flows which are independent of cash flows from other assets or Groups of assets (cash generating units or CGUs).

Impairment write-downs are recognised to the extent the carrying amount of an asset or cash generating unit exceed the estimated recoverable amount. When recognizing impairment write-downs related to cash generating units, any goodwill impairment is recognized first. Any remaining impairment amount is split pro-rata on other assets in the cash generating unit (Group of cash generating units). Impairments are presented in the line item depreciations and impairments.

For other assets an assessment as to whether there are indications that the impairment is no longer present or reduced is made on the balance sheet date (reporting date). Impairments are reversed if the estimates in the calculation have favourably changed the recoverable amount. Impairment reversals are limited to the carrying amounts being equal to what it would have been if no impairment had been recognised.

Financial assets

Financial assets are classified at initial recognition and are subsequently measured at amortized cost, at fair value through other comprehensive income (OCI) or at fair value through profit or loss.

The classification of financial assets on initial recognition depends on both the characteristics of the financial assets' contractual cash flows and the Group's business model for managing these. The Group's business model for managing financial assets refers to how the Group manages its financial assets to generate cash flows. The business model determines whether cash flows will arise by receiving contractual cash flows, or by selling the financial assets or both.

Accounts receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with IFRS 15, see the accounting policies in section on revenue from contracts with customers, and then measured at amortized cost.

Other long-term and short-term receivables, as well as cash and cash equivalents, are recognized at fair value on initial recognition and subsequently at amortized cost.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at fair value through profit or loss, or financial assets that are required to measure at fair value. Financial assets are classified as held for trading if they are purchased for the purpose of being sold or repurchased within a short period of time. Derivatives are also classified as held for trading.

Financial assets at fair value through profit or loss are recognized in the balance sheet at fair value with net changes in fair value recognized in the income statement. The category includes derivative instruments (forward contracts in foreign currency) and long-term equity investments. Dividends on equity investments are recognized as financial income in the income statement when there is a right to payment of dividends. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or the Group has transferred its rights to receive cash flows from the assets.

Impairment of financial assets

For accounts receivables and contract assets, the Group uses a simplified approach to calculating expected credit losses (ECL). The Group therefore does not track changes in credit risk, but instead recognizes a loss provision based on expected credit losses over the life of the trade receivable and the contract asset on each reporting date. The Group has established a provision matrix that is based on historical losses, adjusted for future-oriented factors that are specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when it is more than 60 days overdue. In some cases, however, the Group may also consider that a financial asset is in default when internal or external information indicates that the Group is unable to receive the outstanding contract amounts in its entirety before taking into account any credit insurance that the Group has. A financial asset is recognized as a loss when there is no reasonable expectation of receiving contractual cash flows.

Further information on any impairment of financial assets is provided in notes 20, 21 and 22.

Inventory

Inventories are measured at the lower of cost and net realisable value. Net realisable value has been estimated as selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for marketing and distribution. Cost is allocated using the FIFO-method and includes expenditures incurred in purchasing the goods, raw material, costs to bring the goods and the raw material to their current condition and location. Owned goods are valued at manufacturing cost and include raw material costs, as well as other variable and fixed production costs that can be allocated based on normal capacity utilization. See note 2 and 19 for more information.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to a insignificant risk of change in value.

Financial liabilities

Financial liabilities are initially recognized as financial liabilities at fair value through profit or loss.

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Interest-bearing debt and other liabilities are recognized at fair value less transaction costs at the time of establishment. In subsequent periods, loans are recognized at amortized cost using the effective interest rate. For more information see note 16.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading purposes and financial liabilities designated at initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading purposes if they are contractual for the purpose of being sold or repurchased within a short period of time. This category also includes derivative instruments (currency forward contracts). Gains or losses on liabilities held for trading are recognized in the income statement, see note 7.

Derivatives

The Group uses financial forward exchange contracts (derivatives) to hedge the Group's currency risk. The forward exchange contracts are recognized in the balance sheet at fair value at the time the contract is entered into with the credit institutions, and subsequently the portfolio of forward exchange contracts is adjusted continuously at fair value through profit or loss. The forward exchange contracts are capitalized as financial assets when fair value is positive and as financial liabilities when fair value is negative. See notes 7, 15 and 18.

The Group does not have forward exchange contracts or other derivatives that are considered hedging instruments in hedging terms as defined in IFRS 9.

Provisions

A provision is recognised when the company has an obligation (legal or constructive) as a result of a past event, it is likely (more likely than not) that payment will be made as a result of the liability and the amount can be measured reliably. If the effect is significant, the provision is measured at the discounted value of future cash outflows using a pre-tax discount rate reflecting the market's pricing of the time value of money and, if relevant, the risks specifically related to the liability.

A provision for a guarantee is recognised when the underlying products or services are sold. The provision is based on historical information about guarantees and a weighting of potential outcomes against their likelihood of occurring.

Provisions for onerous contracts are recognised when the company's expected revenues from a contract is lower than the unavoidable costs of meeting the obligations under the contract.

Contingent liabilities and contingent assets

Contingent liabilities for which it is not likely that the liability will incur are not recognized in the financial statements. Significant contingent liabilities are disclosed, except for contingent liabilities related to which it is remote that payment will have to be made.

Contingent assets are not recognised in the financial statements unless they are virtually certain. Other contingent assets are disclosed if it is likely that an economic benefit will be received by the Group.

Going concern

In accordance with the accounting act § 2-2(8) we confirm that the condition for continued operations is present and that the annual report have been prepared based on the going concern assumption.

The company has a credit facility of 67 million NOK, whereof 10.5 million NOK is available as of the end of the year. Additionally, the board has been authorized by the extraordinary General Meeting held on 20 November 2025 to issue up to 96,578,428 new shares. These authorizations are intended to be utilized in case the parent company requires additional equity and liquidity.

As of 31 December 2025, the Company is not in breach with any covenants or loan conditions, as the company has agreed to include certain unsecured loans for calculations of covenant equity.

The Group is exposed to liquidity and refinancing risks related to the maturity profile of its financial liabilities and the requirement to maintain sufficient liquidity to meet interest and principal payments as they fall due. Continued covenant compliance and debt servicing capacity depend on the Group generating sufficient operating cash flows and maintaining access to financing.

Management monitors liquidity and covenant compliance closely and based on current forecasts the Board considers it appropriate to prepare the financial statements on a going concern basis. Refer to note 16 for more details on the Group's and the parent company's interest-bearing debt conditions, as well as note 18 for information on liquidity risk and the maturity structure of the Group's liabilities.

The operations of the Group are subject to uncertainty with respect to its ability to sell products at favorable margins and maintain adequate cash reserves. If additional resources are needed to ensure continuity of operations and support planned activities aimed at generating positive cash flow and profitability, the Board will consider appropriate measures such as obtaining loans or equity.

The current outlook indicates a positive trend, and the Board will take necessary steps to sustain this momentum. If the group and the parent company do not meet the financial targets, the group will take steps to secure additional liquidity in 2026.

In October 2025, the Company announced a successful placing of new ordinary shares with gross proceeds of NOK 158 million. As of the date of this Annual report, the Company still has not received all share deposits and has not been able to complete the transaction. The Board still expect the transaction to be completed in Q2 2026 to strengthen the Company balance sheet and cash balance.

Due to the factors described above, there is material uncertainty for the Company to continue as a going concern over the next 12 months. Assuming a going concern, the group's and the parent company's assets and values are currently present. However, the value of some of the group's and the parent company's assets may be lower than their carrying amounts in a potential forced sale related to liquidation. This uncertainty is primarily related to the value of intangible assets, fixed assets, financial assets, and investments, as well as the value of inventories.

Financial implications of climate change

While it is widely recognized that continued emission of greenhouse gases will cause further warming of the planet and this warming could lead to damaging economic and social consequences, the exact timing and severity of physical effects for HBC are difficult to quantify. The large-scale and long-term nature of the problem makes it uniquely challenging, especially in the context of economic decision making.

While changes associated with a transition to a lower-carbon economy present risk, HBC also create significant opportunities in the nature of our business model. Turning waste streams into high-end human and pet nutrition is important for the environment and out teams at the facilities are focused on climate change mitigation and adaptation of new technology solutions.

Circular economy initiatives which HBC is a part of, and the strive to reduce greenhouse gases is high on the agenda with the Board and management of HBC and the Group has invested significant amounts in both machinery and knowledge since we joined the Global Reporting Initiative (GRI) in 2019.

In a carbon constraint world, climate change is confronting HBC with totally new challenges. One way the Group deal with the impacts of climate change is to comprehend them as risks and analyse possible effects as we do elsewhere in our organization by the combination of probability and its consequence. Therefore, HBC view climate risks as the possible impacts of climate change with the potential to influence positively or negatively the future development of the HBC Group, and together with the rest of the Hofseth Group.

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The risks and opportunities for HBC from climate change are classified as direct or indirect. Direct climate risks and opportunities are resulting out of changing natural conditions as rising temperatures, sea levels or an increasing number of extreme weather events. Indirect climate risks and opportunities seems to have much more implications than the direct ones. Examples of indirect risks are regulatory or litigation, credit risk, market risk and reputation risk.

As previously mentioned, these risks are also great opportunities for HBC. However, risks and opportunities HBC as an organization face today related to climate change, are difficult to estimate, and mitigate or explore. HBC has a work group among the management team, led by the head of Sustainability, that analyse climate risks and utilize the opportunities that arise from climate change. As of the end of 2025, the financial implications of climate change are very limited. As of today, there are few requirements for sustainability in the finished product, no distinctly strict emission rules at the factories, no external influence (e.g. sea level rise). The management expect increased focus on impairment testing as the Group grow and increase its asset base in the future.

New accounting standards

In 2025 new standards and amendments to existing standards have become effective. This is related to the following standards:

- › Lack of Exchangeability(amendment to IAS 21, The effects of Changes in Foreign Exchange Rates)
- › Amendments to the Classification and Measurement of Financial Instruments(amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments, Disclosures)

The amendments had no impact on the Group`s consolidated financial statements.

The following revised IFRS`s have been issued, but are not yet effective.

-IFRS 18 Presentation and Disclosure in Financial Statements, effective from 2027.

The Group is assessing the impact of IFRS 18 - Presentation and Disclosures in Financial Statements, which introduces new presentation and disclosure requirements. The assessment is ongoing, and any necessary adjustments will be made in line with the standard`s effective date and regulatory requirements.

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Note 2 Accounting estimates and management judgement and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments when choosing and applying accounting principles. Further, IFRS requires the management to make estimates based on judgments, and that estimates and assumptions are realistic. All estimates are considered to be the expected value based on the management's best knowledge.

The Group's most significant accounting estimates and areas of judgment are the following:

- › Allocation of production costs in manufacturing cost of finished product cost
- › Transactions with related parties
- › Recognition of intangible assets
- › Inventory - obsolescence
- › Going concern

Allocation of production costs in manufacturing cost of finished product cost

Four types of finished products are produced from a common production process based on the same input factors. The value of the individual finished product is based on the allocation of production costs determined based on the finished product's relative share of production yield multiplied by the expected sales value. The same model has been used for allocating production costs over several years. The determination of expected sales value as a basis for allocating production costs has significant discretionary assessments and has a significant effect on the calculation of the cost of production of the various finished product products. The group and the parent company are still in a start-up and development phase, but management's judgment has based on agreed prices in historical sales transactions and expected sales value at the reporting date. See notes 4, 6 and 19.

Transactions with related parties

Transactions with related parties constitute a significant part of the Group's and the parent company's ordinary operating revenues and costs, and where the determination of arm's length pricing is largely based on judgment. The transactions also affect liquidity and financial carrying capacity for the Group's and the parent company's operations.

The most significant transactions with related parties are sale of finished goods, purchase of raw materials (fish trimmings), ongoing rental obligations related to production equipment and factory buildings Midsund and Berkåk, as well as agreements on short-term, long-term and subordinated loan financing.

Hofseth BioCare ASA has a 5 years agreement starting 01.01.2022, and gives the company the exclusive right to buy all the by-products from the production of Hofseth Sales AS. Judgment has been applied when setting conditions for the purchase of raw materials. See notes 4 and 6.

Hofseth BioCare ASA has sold finished goods to related parties in 2024 and 2025. Prices are determined on the basis of current and historical transactions with independent parties in 2024 and 2025. Discretion has been used in determining conditions for the sale of finished goods, see notes 3 and 6.

Leases of production equipment, leases of factory facilities at Midsund and Berkåk, as well as agreements for long-term and subordinated loans. When agreeing financial terms in leases, agreements for long-term loans in 2019 and 2020 a subordinated loan in 2019 and 2025, historical terms with third parties, achieved by the group and the parent company, have been referred to. Judgment has been applied when setting the financial terms. See notes 6, 12, 13, 16 and 18.

Hofseth Biocare ASA sold a patent to HBCI in 2024. The patent was valued at TNOK 47 750, and the company booked a gain of TNOK 8 122 in Q2 2024.

Recognition of intangible assets

The Group has come far in the development phase of establishing production at the targeted level and with the quality that the business model has been based on. The Group invests in research and development activities on an ongoing basis. Uncertainties exist relating to the timing of when the requirements for recognition of intangible assets have been met. The management's starting point is that development activities are capitalized when there is an identifiable asset or product that is controlled by the company that is expected to result in future economic benefits. Uncertainties also exist relating to the assessment and estimation of the cost price for the intangible assets, and mainly relating to the estimation of cost price for developing intangible assets and product development. Development activities that qualify for capitalization are capitalized both in the Group and parent company. See note 10.

Inventories

Goods in stock are valued at the lower of cost and net realisable value. It is used judgment in relation to quality and durability. The Group uses a model in which provision is made for obsolescence gradually if goods in stock approach the expiration of the shelf life. It is set aside TNOK 33,660 for obsolescence, see note 19.

Going concern

The management has assessed the Company's ability to continue as a going concern in accordance with IFRS. The assessment is based on the Company's financial position, liquidity forecasts, and expected future cash flows. While the financial statements have been prepared on a going concern basis, the assessment involves uncertainty related to future market conditions and the Company's ability to secure sufficient financing. These conditions indicate that uncertainty exists that may cast doubt on the Company's ability to continue as a going concern, see note 1.

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Note 3 Segment information

The processing plants of the parent company are situated in Norway, where the production is according to the standard for human consumption. The Group operates solely in the production of marine ingredients, namely salmon oil (OmeGo®), soluble hydrolyzed protein (ProGo®), Calcium/ Collagen (CalGo® or NT-II™), and non- soluble protein (PetGo™), all of which are produced in the Midsund plant.

For the production of these products, the raw material is sourced fresh, and stored cold before hydrolysis and separation into product fractions. The unique production process involves the release of oil from the raw material using enzymes, resulting in fresh salmon oil with a long shelf life. OmeGo® is stored in nitrogen-filled tanks to preserve its quality after the manufacturing process.

ProGo® is a fully hydrolyzed protein and has good solubility in water. The protein production process has been optimized for increased capacity and quality throughout the last years and incremental improvements are made on a continuous basis.

CalGo® or NT-II™ are processed by separating the bones from the raw material, drying and milling the fraction into a powder, stored in small bags or big bags.

PetGo™ holds non-soluble proteins, excess oil and small bones fractions, which is separated and dried into a high-quality protein powder, typically for the pet food industry. Although all four products are produced in the same process and from the same raw material supply, the revenue is split by product. The Production Manager manages production by tracking the raw material input and finished goods output of the different products to monitor yields and margins per product.

Segment revenue, profit or loss, assets and liabilities corresponds to the amounts presented in the consolidated financial statements.

Revenue per product

Revenue per product	Group		Parent	
	2025	2024	2025	2024
By product				
Salmon Oil (OmeGo®)	154 242	157 976	153 974	157 850
Soluble Protein Hydrolysate (ProGo®)	50 730	59 724	50 730	59 724
Calcium Collagen(CalGo® and NT-II™)	16 578	5 431	16 578	5 431
Non-soluble Protein (PetGo™)	32 880	33 694	32 880	33 694
Other income	1 911	592	5 695	2 209
Sum revenue	256 340	257 418	259 857	258 904
Gain on sale of asset	0	8 122	0	8 122
Total revenues	256 340	265 539	259 857	267 026
By region				
Norway	10 919	12 865	16 648	12 069
United Kingdom	17 783	16 594	15 570	18 878
France	1 464	11 473	1 464	11 473
Belgium	44 215	52 445	44 215	52 445
Italia	23 207	34 795	23 207	34 795
Germany	22 397	15 270	22 397	15 270
Turkey	18 326	0	18 326	0
Remainder of Europe	11 854	13 815	11 854	13 815
Japan	20 200	18 485	20 200	18 485
Asia excl.JP	11 933	3 797	11 933	3 797
USA	74 043	77 878	74 043	77 878
Total revenues	256 340	257 418	259 857	258 904

In 2025 goods totaling TNOK 107,446 were sold to two customers, each of which accounted for more than 10 % of total turnover. The sales to each of these customers are TNOK 63,806, and TNOK 43,640, respectively. In 2024, goods totaling TNOK 150,068 were sold to three customers, each of which accounted for more than 10 % of total turnover. The sales to each of these customers are TNOK 65,876, TNOK 51,763, and TNOK 32,429. The company has no contractual assets or liabilities as of 31 December 2025.

All material non-current assets of the company are in Norway.

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Note 4 Cost of sales and other operating expense

Cost of sales

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Raw material	90 192	80 301	91 706	80 769
Freight	45 391	36 360	45 703	35 710
Purchased services	27 333	25 771	27 008	24 936
Obsolescence cost	679	3 479	679	3 479
Change in inventory	-2 629	23 643	-2 629	23 643
Total cost of sales	160 967	169 553	162 468	168 537

Other operating expenses

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Leases of equipment	4 306	3 359	4 127	3 148
Leases of warehouses and factories	2 399	2 014	2 358	2 010
Travelling cost	3 832	2 606	3 695	2 473
Internal consultant fees	20 523	18 851	23 887	22 724
Consultant fees and tax advisory	1 948	1 840	1 827	1 642
Lawyers	473	1 370	473	1 370
Consulting	225	5 586	7 124	6 438
Advertising	13 881	15 326	13 787	14 119
R&D and patents	12 400	9 323	12 365	9 312
Repair and maintenance	16 680	20 258	15 999	19 805
Other operating expenses	11 408	10 274	8 624	7 738
Public grants	-1 470	-189	-1 470	-189
Total	86 605	90 617	92 796	90 589

The Group received public grants of TNOK 2,164 (TNOK 1,227 in 2024), split by TNOK 1,470 in other operating expenses and TNOK 693 in salaries. Corresponding numbers was TNOK 2,164 (TNOK 1,227 in 2024) for parent company, split by TNOK 1,470 in other operating expenses and TNOK 693 in salaries. See note 5.

Auditors's Fee

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Audit fees	1 926	1 730	1 827	1 575
Other confirmations	22	67	0	67
Tax advice	0	0	0	0
Other services	0	44	0	0
Total	1 948	1 840	1 827	1 642

VAT is not included in the amounts above.

Note 5 Employment costs and expenses for employees and benefits for senior employees

Salaries

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Salaries	65 478	59 463	56 171	50 150
Social security costs	7 638	6 772	7 226	6 348
Pension costs	4 355	3 072	3 784	2 666
Share option costs	1 984	0	1 984	0
Other employee benefits	2 940	2 401	2 630	2 179
Public grants	-693	-1 039	-693	-1 039
Total employee benefit expenses	81 702	70 670	71 101	60 304
Average number of FTE's	71	67	63	60

Remuneration to executive management team

(Amounts in NOK 1 000)	Group	
	2025	2024
Management team		
Salaries	10 832	10 692
Bonus	1 097	0
Benefits in kind	54	73
Share options	1 190	0
Pension costs	233	235
Other employee benefits	7 106*	5 126*
Total remuneration	20 511	16 126

* Includes remuneration of TNOK 7 106 for managing R&D (TNOK 5 126 in 2024). Remuneration for R&D is split in other operating expenses and capitalized development costs in 2025 and 2024

No loans or guarantees are granted to members of the management team, Board of Directors or other elected bodies. Reference is made to the Executive Remuneration Report which will be available on the company's website before the annual general meeting.

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Defined contribution pension scheme

The parent company and the group have a statutory obligation to comply with the law on mandatory occupational pensions and have a pension scheme that satisfies the requirements of this Act.

Contributions have been expensed in the Group by TNOK 3,300 in 2025 (TNOK 2,986), in the parent company TNOK 2,883 (TNOK 2,616). The group had cost for AFP of TNOK 1,055 in 2025 (TNOK 86), and TNOK 902 in 2025 (TNOK 50) in the parent company

Options

The fair value of Jon Olav Ødegård's options have been calculated at the time of grant, 30 August 2022, and expensed over the vesting period up until 1 November 2022. The fair value of the program has been estimated to TNOK 1,170 in 2022. Fair value of the options has been estimated using the Black-Scholes option pricing model. The options were exercisable up until 31 October 2025. Other inputs used in the model are:

- > Spot price: NOK 3.39 per option
- > Strike price: NOK 3.63 per option
- > Volatility: 48.0%
- > Dividend: 0.0%
- > Risk-free rate: 3.58%

The company granted share options for employees in May 23 2025. The options may be exercised at a nominal price of NOK 0.01, if the share price reaches NOK 4, 7, 10 and 15, and lasts over the next 48 months. To estimate this value, the company have performed a Monte Carlo simulation of HBC's share price over the next 48 months and expensed over the vesting period. The fair value of the program has been estimated to TNOK 1,984 in 2025. The options is exercisable up until 31 May 2029.

- > Fair value: NOK 2.28 per option
- > Strike price: NOK 0.01 per option
- > Volatility: 54.7%

Options

(Amounts in NOK 1 000) Group	2025 number	2025 WAEP	2024 number	2024 WAEP
Outstanding 01.01.	1 000	3.63	1 172	3.10
Exerciable 01.01	1 000	3.63	1 172	3.10
Granted during the year	15 000	15 000	0	0
Forfeited during the year	0	0	0	0
Exercised during the year	0	0	0	0
Expired during the year	1 000	1 000	172	0.01
Outstanding 31.12.	15 000	15 000	1 000	3.63
Exerciable 31.12.	0	0	1 000	3.63

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Note 6 Related party transactions

The Group's related parties include shareholders, board members and the senior management and their related parties. RH Industri AS, Hofseth Property AS, Hofseth International AS, Hofseth Logistics AS, Hofseth AS, Hofseth Sales AS, Hofseth North America, Hofseth Processing AS and Finnvik Eiendom AS are considered to be related parties to Hofseth BioCare ASA. In these companies, board member and shareholder in Hofseth Biocare ASA, Roger Hofseth, has significant influence through ownership interests, leading positions and board memberships. Further is shareholder Yokorei CO. Ltd. considered a related party.

All related party transactions have been made in the ordinary course of the business at the arms length principle. The main transactions made in 2024 and 2025:

- › Purchase of raw materials from Hofseth Sales AS. See further details in the agreement below.
- › 12 of the company's (13 in the group) lease agreement for production equipment that are active in 2025 have been entered into with Hofseth AS, Hofseth International AS and Finnvik Eiendom AS and subleased to Hofseth BioCare ASA with a mark-up up to 10 % on monthly instalments.
- › Other minor administration costs are invoiced from Hofseth International AS.
- › Hofseth North America has purchased goods worth TNOK 0 in 2025 (TNOK 1,080 in 2024).
- › Yokorei Co. Ltd. has purchased goods worth TNOK 573 in 2025 (TNOK 126 in 2024).
- › The Group rents factory buildings at Midsund and Berkåk from Hofseth Property AS at a cost of TNOK 13,871 in 2025 (TNOK 12,558 in 2024). The agreement is signed for 15 years, until 2032.
- › In 2024 a new patent was transferred to AecorBio as a contribution in kind, with a gain of TNOK 8 122. See note 22 for further information.

The statement of profit and loss and the balance sheet include the following transactions with shareholders and related parties to shareholders:

Balance sheet items

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Right of use assets	90 618	91 959	75 543	75 592
Trade receivables	440	86	440	86
Loan from shareholders	-52 500	0	-52 500	0
Other receivables	0	0	0	0
Leasing liabilities	-98 408	-90 112	-83 687	-73 592
Trade payables	-71 495	-72 510	-71 481	-69 956
Total	-131 344	-70 576	-131 684	-67 869

Profit and loss items

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Sales revenue	1 547	1 403	1 547	1 403
Interest income	0	0	1 713	2 847
Total income	1 547	1 403	3 260	4 250
Cost of sales	62 372	58 816	62 372	58 816
Other operating expenses	1 431	3 692	1 431	3 692
Financial expenses	7 565	7 846	6 275	6 116
Total costs	71 368	70 354	70 078	68 624

Raw Material agreement

The company has a 5-year agreement with Hofseth Sales AS on exclusive rights to all by-products from Hofseth Sales's suppliers starting 01.01.2022. Hofseth Sales AS is a 100 % subsidiary of RH Investments AS, which is closely related to Roger Hofseth.

The statement of profit and loss and the balance sheet include the following transactions between parent companies, subsidiaries and associated companies:

Balance sheet items (Amounts in NOK 1 000)	Parent		Profit and loss items		Parent	
	2025	2024	2025	2024	2025	2024
Loan from parent to			Sold services and goods			
HBC Berkåk AS	0	45 947			4 105	1 464
HBC Therapeutics AS	115	25			0	0
Hofseth Biocare Rørvik AS	0	0			0	0
Hofseth Biocare UK Limited	3 051	2 970			2 602	2 481
Hofseth Biocare Americas Inc.	0	0			63 806	65 878
AecorBio Inc.(Joint venture)	756	771			0	0
Trade receivables from parent			Bought services			
HBC Berkåk AS	5 881	0			2 471	575
Hofseth Biocare UK Limited	661	1 074			0	368
Hofseth Biocare Americas Inc.	6 338	6 033			18 798	13 628
AecorBio Inc(Joint venture)	0	0			0	474
HBC Switzerland GmbH	0	0			57	40
Total	16 801	56 819			91 841	84 907

Transferred patent from Hofseth Biocare ASA to AecorBio Inc. with a gain of TNOK 8 122 in 2024.

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Note 7 Financial income and expenses

Financial income

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Interest income	2 000	790	2 297	3 612
Foreign exchange gains	11 633	8 225	11 632	8 225
Total	13 632	9 015	13 930	11 837

Financial expenses

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Interest expenses	22 833	15 685	21 528	13 803
Impairment of financial assets	0	0	0	1 444
Foreign exchange losses	15 314	6 064	15 314	6 061
Total	38 147	21 749	36 842	21 308

Note 8 Income taxes

Income taxes

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Income tax expense				
Prior year taxes	0	0	0	0
Tax expense	176	0	0	0
Calculation of taxable income				
Loss before tax	-134 706	-125 300	-127 580	-97 898
Permanent differences	452	7 483	452	-1
Change in temporary differences	-17 886	8 551	-4 101	6 392
Taxable result	-152 140	-109 266	-131 227	-91 507
Temporary differences				
Fixed assets	-3 831	1 684	-3 831	-2 285
Loss carry forward	-1 378 665	-1 216 949	-1 263 630	-1 132 401
Other temporary differences	-35 888	-43 768	-38 120	-43 768
Total	-1 418 384	-1 259 033	-1 305 582	-1 178 454
Calculated deferred tax asset 22%	312 044	276 987	287 228	259 260

Deferred tax assets are not recognised in the balance sheet due to lack of convincing evidence for supporting capitalization.

Reconciliation of tax expense

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Loss before tax	-134 706	-125 300	-127 580	-97 898
Tax 22%	-29 935	1 646	-28 068	-21 538
Permanent differences	452	0	452	0
Deferred tax asset, not recognized	29 935	25 920	28 068	21 538
Total tax expense	176	0	0	0

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Note 9 Earnings per share

The Group's earnings per share are calculated by dividing the profit for the year attributable to share holders by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit attributable to the share holders by the weighted average number of shares outstanding during the year.

Earnings per share

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Profit attributable to share holders	-134 882	-125 300	-127 580	-97 898
Weighted average number of shares outstanding	411 081	410 906	411 081	410 906
Effect of stock options	15 000	1 000	15 000	1 000
Weighted average number of shares dilluted	426 081	411 906	426 081	411 906
Earnings per share				
-ordinary	-0.33	-0.30	-0.31	-0.24
-diluted	-0.33	-0.30	-0.31	-0.24

Note 10 Intangible asset

2024 (Amounts in NOK 1 000)	Group and Parent				
	R&D	IT-systems	Patents	Other	Sum
Cost at 01.01.2024	78 636	7 104	4 914	2 627	93 281
Additions	1 629	0	0	0	1 629
Internally developed	0	0	0	0	0
Disposal	7 371*	0	0	0	7 371
Cost at 31.12.2024	72 894	7 104	4 914	2 627	87 539
Depreciation at 01.01.2024	28 784	2 686	3 899	2 627	37 997
Depreciation charge of the year	5 660	1 327	124	0	7 112
Impairment	0	0	0	0	0
Impairment and depreciation at 31.12.2024	34 444	4 013	4 024	2 627	45 108
Net book value at 31.12.2024	38 449	3 091	890	0	42 430
Economic life	10 years	5-10 years	10 years	5-10 years	5-10 years
Method of depreciaton	Straight line depreciation				

2025 (Amounts in NOK 1 000)	Group and Parent				
	R&D	IT-systems	Patents	Other	Sum
Cost at 01.01.2025	72 894	7 104	4 914	2 627	87 539
Additions	500	233	0	0	733
Internally developed	0	0	0	0	0
Disposal	1 602	0	0	766	2 367
Cost at 31.12.2025	71 792	7 338	4 914	1 861	85 905
Depreciation at 01.01.2025	34 444	4 013	4 024	2 627	45 108
Depreciation charge of the year	5 558	889	124	0	6 572
Impairment	92	0	0	0	92
Disposal	1 602	0	0	766	2 367
Impairment and depreciation at 31.12.2025	38 493	4 903	4 148	1 861	49 406
Net book value at 31.12.2025	33 298	2 435	766	0	36 499
Economic life	10 years	5-10 years	10 years	5-10 years	5-10 years
Method of depreciaton	Straight line depreciation				

*Project sold to AecorBio Inc., see note 22 for more information.

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Throughout 2025, HBC continued to strengthen its scientific and technological platform through targeted research and development initiatives aimed at enhancing product differentiation, process efficiency, and commercial scalability. During the year, development efforts focused on further validation, and commercial optimization of the Group's proprietary marine-based ingredients, including ProGo®, OmeGo®, CalGo®, NT-II™, PetGo™ and Brilliant™. Investments were directed toward generating additional scientific documentation to substantiate bioactivity, bioavailability, and biosafety, supporting commercial expansion in human health and pet nutrition markets.

In 2025, R&D initiatives were closely integrated with operational improvements at the Midsund facility. Continued refinement of the enzymatic hydrolysis platform improved yield stability and fraction purity, while targeted process optimization enhanced raw material utilization and throughput efficiency. The development program further supported the new NT-II™ product and our peptide fractions, strengthening HBC's ability to position its ingredients within clinically relevant health categories, including metabolic health, immune modulation, gut health, and collagen-related applications.

Environmental and sustainability considerations remain embedded in development activities. Efforts during 2025 included further improvements in resource efficiency, reduction of process waste, and enhancement of product usability for human consumption applications.

Total research and development costs for 2025 were TNOK 21,477 (2024 TNOK 17,452). Of this, TNOK 733 has been capitalized in 2025 (2024: TNOK 1,629).

The Group has registered its trademarks under the international Madrid Protocol. The trademarks are OmeGo®, ProGo®, CalGo®, NT-II™, PetGo™ and Brilliant™.

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Note II Fixed assets

2024	Group			Parent		
	Machinery and equipment	Fixtures and fittings	Total	Machinery and equipment	Fixtures and fittings	Total
(Amounts in NOK 1 000)						
Cost at 01.01.2024	196 721	15 469	212 490	184 037	15 683	199 720
Additions	1 996	448	2 444	1 963	448	2 411
Cost at 31.12.2024	198 717	16 217	214 934	186 000	16 131	202 132
Depreciations at 01.01.2024	144 216	12 209	156 425	136 183	12 113	148 295
Depreciations for the year	12 887	1 363	14 250	11 384	1 373	12 757
Depreciations at 31.12.2024	157 103	13 572	170 675	147 567	13 486	161 052
Book value 31.12.2024	41 614	2 645	44 260	38 434	2 646	41 080
Economic life	5-10 years	3-10 years		5-10 years	3-10 years	
Method of depreciation	Straight line depreciation	Straight line depreciation		Straight line depreciation	Straight line depreciation	
2025	Group			Parent		
(Amounts in NOK 1 000)	Machinery and equipment	Fixtures and fittings	Total	Machinery and equipment	Fixtures and fittings	Total
Cost at 01.01.2025	198 717	16 217	214 934	186 000	16 131	202 132
Additions	17 749	1 983	19 732	287	1 843	2 130
Cost at 31.12.2025	216 465	18 201	234 666	186 287	17 974	204 261
Depreciations at 01.01.2025	157 103	13 572	170 675	147 567	13 486	161 052
Depreciations for the year	12 468	1 551	14 018	11 405	1 545	12 949
Depreciations at 31.12.2025	169 571	15 123	184 693	158 971	15 030	174 001
Book value 31.12.2025	46 895	3 078	49 973	27 316	2 944	30 260
Economic life	5-10 years	3-10 years		5-10 years	3-10 years	
Method of depreciation	Straight line depreciation	Straight line depreciation		Straight line depreciation	Straight line depreciation	

The company has pledged assets as collateral for loans. See more in note 16.

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Note 12 Leases

The company and the group as lessee

The company and the group's right of use assets include manufacturing facilities, machinery and equipment and fixtures and fittings:

2024	Group				Parent			
	Manufacturing facilities	Machinery and equipment	Fixtures and fittings	Total	Land, manufacturing facilities	Machinery and equipment	Fixtures and fittings	Total
(Amounts in NOK 1 000)								
Cost 01.01.2024	108 111	69 247	2 118	179 476	84 640	63 044	1 585	149 269
Additions	0	2 575	0	2 575	0	2 540	0	2 540
Disposals	0	0	0	0	0	0	0	0
Costs at 31.12.2024	108 111	71 822	2 118	182 015	84 640	65 584	1 585	151 809
Depreciations 01.01.2024	34 939	34 368	622	69 929	26 578	31 383	568	58 529
Depreciations for the year	9 223	7 700	1 496	18 420	7 932	7 206	1 017	16 155
Disposals	0	0	0	0	0	0	0	0
Depreciations per 31.12.2024	44 162	42 069	2 118	88 349	34 510	38 589	1 585	74 684
Book value 31.12.2024	63 949	29 754	0	93 703	50 130	26 995	0	77 125
Shortest of lease term or economic life	15 years	5 years	3-5 years		15 years	5 years	3-5 years	
Depreciation method	Straight line depreciation	Straight line depreciation	Straight line depreciation		Straight line depreciation	Straight line depreciation	Straight line depreciation	
2025	Group				Parent			
(Amounts in NOK 1 000)	Manufacturing facilities	Machinery and equipment	Fixtures and fittings	Total	Land, manufacturing facilities	Machinery and equipment	Fixtures and fittings	Total
Cost 01.01.2025	108 111	71 822	2 118	182 051	84 640	65 584	1 585	151 809
Additions	16 387	5 600	0	21 987	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Costs at 31.12.2025	124 498	77 421	2 118	204 037	101 027	71 184	1 585	173 796
Depreciations 01.01.2025	44 162	42 069	2 118	88 349	34 510	38 589	1 585	74 684
Depreciations for the year	8 763	9 967	0	18 730	7 472	9 075	0	16 547
Disposals	0	0	0	0	0	0	0	0
Depreciations per 31.12.2025	52 925	52 035	2 118	107 078	41 982	47 664	1 585	91 231
Book value 31.12.2025	71 573	25 386	0	96 959	59 045	23 520	0	82 565
Shortest of lease term or economic life	15 years	5 years	3-5 years		15 years	5 years	3-5 years	
Depreciation method	Straight line depreciation	Straight line depreciation	Straight line depreciation		Straight line depreciation	Straight line depreciation	Straight line depreciation	

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Lease liabilities:

(AmountsinNOK1000)	Group		Parent	
	2025	2024	2025	2024
Undiscounted lease liabilities and due dates for payments				
Less than 1 year	22 831	19 994	19 593	16 618
2-5 years	78 590	72 733	62 746	59 776
More than 5 years	29 148	33 628	19 974	26 407
Total undiscounted lease liabilities 31.12	130 569	126 355	102 313	102 802
Changes in lease liabilities				
Total lease liabilities 1.1	97 760	107 625	81 234	89 197
New/changed lease liabilities recognized in the period	21 987	2 575	21 987	2 540
Payment of principal amounts	-13 768	-12 440	-11 963	-10 503
Payment of interest amounts	-8 164	-8 180	-6 593	-6 433
Interest related to the lease liabilities	8 164	8 180	6 593	6 433
Total lease liabilities 31.12	105 242	97 760	90 520	81 234
Current lease liabilities 31.12 (note16)	15 656	11 217	13 833	9 412
Non-current lease liabilities 31.12 (note16)	89 585	86 543	76 687	71 822
Cash outflows for lease liabilities	-21 932	-20 582	-18 556	-16 968
Total cash outflows for leases	-25 888	-24 307	-22 285	-20 478

The lease agreements do not restrict the parent company's and the group's dividend policy or financing opportunities. The parent company and the group do not have significant residual value guarantees in the lease agreements.

The parent company and the group's leases of machinery and equipment include, in addition to lease payments, a requirement to maintain and secure the assets (right of use assets). The terms in the lease agreements varies from 3-5 year, and several of the agreements include an option to extend the lease. At the expiry date of the main term of the lease, the lease of the machinery and equipment may be continued for a lease payment of 1/12 of the lease payments in the main lease period. The company may also request to purchase the equipment.

The company and the group's leases of manufacturing facilities (Midsund og Berkåk) have lease terms of 15 years, no extension options, and the leases expire 31 March 2032. When entering into an agreement the group assesses whether it is reasonably certain to exercise an option to purchase the assets. The leases of the manufacturing facilities have no options to purchase.

Leases of fixtures and fittings in the table above contain no extension or purchase options. The group's potential future lease payments which have not been included in the lease liabilities relating to purchase options were TNOK 0 as of 31 December 2025.

Applied practical expedients

The company and the group lease warehouses in which both the lessor and the company / group have the right to terminate the agreements on a 3-6 months notice period. For such agreements the company and the group do not recognize lease liabilities and related right of use assets. Such lease payments are expensed when incurred.

Lease payments for the abovementioned leases amounted to TNOK 2,796 (TNOK 1,711 in 2024) for fixture and fittings for the Group and TNOK 1,160 (TNOK 2,014 in 2024) for storage, and for the parent company TNOK 2,569 (TNOK 1,500 in 2024) for fixture and fittings TNOK 1,160 (TNOK 2,010 in 2024) for storage (see note 4). Cash flow from these lease obligations is approximately equal to the amount expensed and is included in net cash flow from operating activities.

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Note 13 Changes in liabilities from financial activities

Group

(Amounts in NOK 1 000)	01.01.2024	Downpayment	Withdrawals	New leases	Adjustments	31.12.2024
Short-term interestbearing liabilities (excl. posts below)	28 893	-541	19 397	0	271	48 020
Short-term leasing liabilities	10 794	-12 440	0	0	12 863	11 217
Long-term interest-bearing debt (excl. posts below)	272	0	25 100	0	-271	25 101
Long-term leasing liabilities	96 831	0	0	2 575	-12 863	86 543
Total	136 790	-12 981	44 497	2 575	0	170 881

Parent

(Amounts in NOK 1 000)	01.01.2024	Downpayment	Withdrawals	New leases	Adjustments	31.12.2024
Short-term interest-bearing liabilities (excl. posts below)	28 353	0	19 397	0	0	47 750
Short-term leasing liabilities	8 950	-10 503	0	0	10 965	9 412
Long-term interest-bearing debt (excl. posts below)	0	0	25 100	0	0	25 100
Long-term leasing liabilities	80 247	0	0	2 540	-10 965	71 822
Total	117 550	-10 503	44 497	2 540	0	154 084

Group

(Amounts in NOK 1 000)	01.01.2025	Downpayment	Withdrawals	New leases	Adjustments	31.12.2025
Short-term interestbearing liabilities (excl. posts below)	48 020	-271	113 572	0	0	161 322
Short-term leasing liabilities	11 217	-13 768	0	0	15 656	13 105
Long-term interest-bearing debt (excl. posts below)	25 101	0	0	0	0	25 101
Long-term leasing liabilities	86 543	0	0	21 250	-15 656	92 136
Total	170 881	-14 039	113 572	21 250	0	291 664

Parent

(Amounts in NOK 1 000)	01.01.2025	Downpayment	Withdrawals	New leases	Adjustments	31.12.2025
Short-term interest-bearing liabilities (excl. posts below)	47 750	0	113 572	0	0	161 322
Short-term leasing liabilities	9 412	-11 963	0	0	13 833	11 283
Long-term interest-bearing debt (excl. posts below)	25 100	0	0	0	0	25 100
Long-term leasing liabilities	71 822	0	0	21 250	-13 833	79 238
Total	154 084	-11 863	113 572	21 250	0	276 943

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Note 14 Fair value measurement

The following tables provide fair value measurement hierarchy of the group's financial liabilities. The fair value of financial assets is not disclosed as the fair value is approximately book value.

Liabilities measured at fair value, Group

(Amounts in NOK 1 000)	Date of measurement	Amount	Active markets (Level 1)	Observed market prices (Level 2)	Non-observed input (Level 3)
Liabilities in which fair value is stated in note 18:					
Interest-bearing loans					
Interest-bearing loans floating interest rate	31.12.24	271	0	0	271
Interest-bearing loans fixed interest rate	31.12.24	0	0	0	0

Liabilities measured at fair value, parent company

(Amounts in NOK 1 000)	Date of measurement	Amount	Active markets (Level 1)	Observed market prices (Level 2)	Non-observed input (Level 3)
Liabilities in which fair value is stated in note 18:					
Interest-bearing loans					
Interest-bearing loans floating interest rate	31.12.24	0	0	0	0
Interest-bearing loans fixed interest rate	31.12.24	0	0	0	0
Interest-bearing loans floating interest rate from subsidiaries	31.12.24	0	0	0	0

Liabilities measured at fair value, Group

(Amounts in NOK 1 000)	Date of measurement	Amount	Active markets (Level 1)	Observed market prices (Level 2)	Non-observed input (Level 3)
Liabilities of which the fair value has been provided in note 18:					
Interest-bearing loan					
Interest-bearing loan floating interest rates	31.12.25	0	0	0	0
Interest-bearing loan fixed interest rates	31.12.25	0	0	0	0

Liabilities measured at fair value, parent company

(Amounts in NOK 1 000)	Date of measurement	Amount	Active markets (Level 1)	Observed market prices (Level 2)	Non-observed input (Level 3)
Liabilities of which the fair value has been provided in note 18:					
Interest-bearing loan					
Interest-bearing loan floating interest rates	31.12.25	0	0	0	0
Interest-bearing loan fixed interest rates	31.12.25	0	0	0	0
Interest-bearing loan from subsidiary floating interest rates	31.12.25	0	0	0	0

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Note 15 Financial assets

Financial assets

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Amortized cost receivables:				
Accounts receivable	21 520	18 853	21 131	18 716
Other current receivable	770	771	3 922	49 712
Total financial assets	22 290	19 624	25 053	68 429
Total current financial assets	22 290	19 624	25 053	68 429
Total non-current financial assets	0	0	0	0

IFRS 9 requires the Group's to recognize a provision for expected credit losses for all debt instruments that are not held at fair value through profit or loss, and for contract assets. The company and the group have a high degree of collateral for credit insurance on all accounts receivables and collaterals on other receivables and loans and, hence, no significant provisions have been made in relation to these, see note 20.

Note 16 Interest-bearing debt and borrowings

Non-current debt

(Amounts in NOK 1 000)	Effective interest rate	Maturity	Group		Parent	
			2025	2024	2025	2024
Rennebu Municipality	6.70%	2027-	0	0	0	0
Loan 1	6.00%	2027-	62 141	0	62 141	0
Loan 2	10.00%	2027-	43 931	0	43 931	0
Loan 3	10.00%	2027-	25 431	25 100	25 431	25 100
Loan 4	Nibor+3%	2027-	7 500	0	7 500	0
Lease liability	6.86%	2027-	89 585	86 543	76 687	71 822
Total			228 588	111 643	215 690	96 922

Current debt

(Amounts in NOK 1 000)	Effective interest rate	Maturity	Group		Parent	
			2025	2024	2025	2024
Rennebu Municipality	6.70%	2026	0	271	0	0
Credit facility	7.73%	2026	56 532	47 750	56 532	47 750
Lease liability	6.86%	2026	15 656	11 217	13 833	9 412
Total			72 189	59 238	70 366	57 162
Sum interest bearing debt			300 777	170 881	286 056	154 084

1 Loan of TEUR 5,000 from Symrise group of companies. The loan and incurred interests can be converted between Q1 2029 and Q1 2030 into shares in HBC Berkåk AS. RH Invest AS has provided a guarantee for the loan.

2 Senior unsecured growth bond of TCHF 3,455 issued in Q2 2025, with due date in Q1 2028.

3 Loan from ARGOnG Investments AG of TCHF 2,000, with due date in Q3 2027.

4 Subordinated loan from Hofseth Sales AS, due in Q4 2030.

The parent company has a credit facility in bank with a credit limit of TNOK 67,000. As of 31 December 2025 the company have used TNOK 56,532 of this credit (TNOK 47,750 as of 31 December 2024).

Collaterals

Credit facility in parent company is secured in trade receivable and inventory.

(Amounts in NOK 1 000)	2025	2024
Fixed assets	30 260	41 080
Trade receivable	21 131	18 716
Inventory	58 752	55 203
Total	110 144	114 999

The Group insures significant receivables against credit risk. The insurance is limited to a maximum of TNOK 21,100 and a coverage rate of 90%.

Financial covenants

Credit facility Sparebank1 Nordmøre As of 30 June and 31 December each year, the company will have a liquidity reserve of at least NOK 10 million in the form of cash and unused drawing rights in operating credit facility. The book value of equity in Hofseth BioCare ASA shall at all times amount to at least 25% of the book value of the company's assets. The company was not in breach with covenants per 31.12.2025. If the company fails to achieve high enough prices of their products, there is a risk that the company will be in breach with covenants within the next twelve months.

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Note 17 Financial assets and liabilities by category

	Group		Parent	
	2025	2024	2025	2024
<i>(Amounts in NOK 1 000)</i>				
Financial assets at amortized cost:				
Long-term financial lending and deposit		0		0
Accounts receivable	21 520	18 853	21 131	18 716
Bank deposits	67 050	25 577	28 645	23 232
Other financial loans (see note 15)	770	771	3 922	49 712
Total financial assets amortized cost	89 341	45 201	53 698	91 660
Total financial assets	89 341	45 201	53 698	91 660
Fair value is equal to carrying amount.				
Financial liabilities at amortized cost:				
Interest-bearing short-term debt	56 532	48 020	56 532	47 750
Accounts payable	94 619	93 629	84 806	88 659
Interest-bearing short-term debt subsidiaries	0	0	5 881	0
Other short-term debt (note 23)	74 410	15 557	72 854	14 087
Non-current interest-bearing debt	139 003	25 100	139 003	25 100
Non-current leasing obligations	89 585	86 543	76 687	71 822
Total financial liabilities amortized cost	454 150	268 849	435 763	247 417

Level 3, parent

	2025		2024	
	Booked value	Fair value	Booked value	Fair value
<i>(Amounts in NOK 1 000)</i>				
Current interest-bearing liabilities	70 366	70 366	57 162	57 162
Non-current interest-bearing liabilities	215 690	214 874	96 922	100 548

Level 3, group

Current interest-bearing liabilities	72 189	72 189	59 238	59 538
Non-current interest-bearing liabilities	228 588	227 772	111 643	115 270

Presentation of fair value measurements by level in the fair value hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Valuation based on other observable factors either directly (price) or indirectly (derived from price) than the quoted price (used in level 1) for the asset or liability

Level 3: Valuation based on factors not obtained from observable market data (unobservable conditions)

The fair value of interest-bearing current and long-term fixed rate debt (level 3) is calculated by comparing the Group and parent company's conditions with market terms for debt with similar maturity and credit risk.

The company has no other financial instruments measured at fair value, except for forward exchange contracts. The carrying value of cash and cash equivalents, short-term receivables, and short-term payables approximates fair value as these instruments have short maturities, and «ordinary» conditions.

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Note 18 Financial risk management

Financial risk

Through its activities, the Group is exposed to various types of financial risks: market risk, credit risk and liquidity risk. Management monitors these risks continuously and establishes guidelines for their management. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimize potential adverse effects on the Group's financial results. The Group may use financial derivatives to hedge against certain risks. The company has loans from credit institutions and financial leasing arrangements with the purpose of obtaining capital for investments in the Groups operations. In addition, the company has financial instruments such as accounts receivable and accounts payable, etc., which are directly related to the daily operational activities.

Interest rate risk

Since the company and the group have no significant interest-bearing assets, the exposure to interest rate risk is through their financing activities. The company's and the group's interest rate risk is related to non-current interest-bearing loans, current interest-bearing loans and lease liabilities. Loans with floating interest rates lead to interest rate risk for the company's and the Group's cash flow. See note 17 for the book value and fair value of the financing activities and note 16 for interest rate terms relating to interest-bearing financing obligations as of 31 december 2025.

For the company's and the Group's loan portfolios that have floating interest rates, this means that the company is affected by changes in the interest rate level. The loans are recognized at amortized cost. The following table shows the Group's sensitivity to interest rate fluctuations. The calculation includes all interest-bearing instruments and financial interest rate derivatives to the extent that they are present.

Interest rate group – sensitivity year	Effect on interest rate – basis-point	Effect on profit – before tax (Amounts in NOK 1 000)
2024	+100	-1 458
	-100	1 458
2025	+100	-1 546
	-100	1 546

The following table shows the parent company's sensitivity to interest rate fluctuations. The calculation includes all interest-bearing instruments and financial interest rate derivatives to the extent that they are present.

Interest rate parent company– sensitivity year	Effect on interest rate – basis-point	Effect on profit – before tax (Amounts in NOK 1 000)
2024	+100	-1 290
	-100	1 290
2025	+100	-1 546
	-100	1 546

Average interest rates on financial instruments were as follows:

Average interest rate in %	2025	2024
Unsecured debt	8.11	10.00
Credit line	9.82	7.73
Secured debt	n/a	6.70
Lease liabilities	6.26	6.86

Foreign exchange risk

The parent company and the group have two foreign exchange loan in CHF, one in EUR and a large part of their operating income in foreign currency and, to a lesser extent, the purchase of input factors in foreign currency, and are therefore exposed to currency risk. Management has monitored movements in the foreign exchange market and has assessed hedging strategies in 2025 based on the parent company's and the group's contractual and predictable income streams. The parent company and the group therefore entered into forward exchange contracts both in 2024 and in 2025 in order to secure the Group's budgeted future sales in foreign currency (Euro and USD), but have not used hedge accounting. The Group and the parent company had none such forwards per 31.12.2025.

The below table demonstrates the sensitivity of possible changes in EUR, USD, CHF and GBP when all other variables are constant. The effect on the parent company's and the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities, including forward exchange contracts. If the company had used hedge accounting, a currency change would also have resulted in changes to the OCI. The company does not use hedge accounting.

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Change in currency	Change in NOK	Effect on profit before tax			Effect on balance		
		EUR	USD	GBP	EUR	USD	CHF
(Amounts in NOK 1 000)	to foreign currency						
2024	+10%	13 019	10 670	1 547	839	102	-2 510
	-10 %	-13 019	-10 670	-1 547	-839	-102	2 510
2025	+10%	11 451	10 609	1 545	-6 372	1 129	-6 936
	-10%	-11 451	-10 609	-1 545	6 372	-1 129	6 936

Credit risk

The parent company and the Group are exposed to credit risk primarily related to accounts receivable, non-current financial loans, current financial loans, as well as other financial activities including cash and cash equivalents (bank deposits).

The Group limits its exposure to credit risk through a credit rating of its customers before credit is given. The Group has credit insurance for all its significant accounts receivable through Coface Norway (see 20 for further information on credit exposure and maturity analyzes on accounts receivable).

The maximum risk exposure of trade receivables for the group as of 31 December 2025 is TNOK 21,520 (TNOK 18,853 as of 31 December 2024), and for parent company TNOK 21,131 (TNOK 18,716 as of 31 December 2024). The risk of loss on accounts receivable is considered low and there has been no need to provide for losses. See note 20 for further information.

Loan from subsidiary of TNOK 5,881 (TNOK 0 in 2023), where credit risk is considered low. (see note 15, 17 and 20 for further information on financial loans and other current receivables).

Credit risk for cash and cash equivalents, including bank deposits, is managed by the Group's management. The Group's surplus liquidity is invested by bank deposits with a financial counterparty with low credit risk. The Group has no investments in excess liquidity in debt or equity instruments.

The Group has not provided any guarantees for third-party debt.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to liquidity management is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its liabilities when due, both under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Cash flows are regularly monitored by the finance department to ensure that the parent company has sufficient cash to meet operational commitments, and at any time to maintain sufficient flexibility in the form of credit facilities so that it does not violate limits or covenants for any of the loans. The parent company and the Group aims to have sufficient cash, cash equivalents or credit opportunities in the medium term to cover interest and principal payments in the short term. Please also refer to note 1 section Going concern.

As of 31 December 2025 the group had MNOK 67,1 in cash, of which MNOK 3,8 were restricted cash. As of 31 December 2024 the group had MNOK 25,6 in cash, of which MNOK 3,0 were restricted cash.

The group expects to have a stable production level with stable quality which satisfies the requirements for human quality. The activities to increase sales to existing customers, as well as the expectation of increased sales of oil, water-soluble protein, non-soluble protein and calcium could result in significant improvement in the company's cash flows. Expected cash flows are subject to uncertainties related to achieved sales prices and volume.

Risk factors should be considered in conjunction with the risk factors described in note 2 accounting estimates.

The table below shows the maturity profile of the Group's financial liabilities, both interest and installments, based on contractual undiscounted payments, classified according to maturity structure, that is, taken into account contracts with fixed maturity dates. When the counterparty can make an election of when an amount is to be paid, the liability is included in the basis covering the earliest date on which the entity can be required to pay. Financial liabilities that may be required to be paid on demand are included in the «within 1-3 months»

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Group

2024

(Amounts in NOK 1 000)	1-3 months	4-6 months	7-9 months	10-12 months	2026	2027	2028	2029	> 5 years	Total
Interest bearing debt to financial institutions	0	280	0	0	0	0	0	0	0	280
Loan and subordinated loan	0	0	2 713	0	2 510	27 610	0	0	0	32 833
Credit line	47 750	0	0	0	0	0	0	0	0	47 750
Lease liabilities	5 165	5 106	5 042	4 681	19 714	19 272	18 997	14 750	33 628	126 355
Trade payables	93 629	0	0	0	0	0	0	0	0	93 629
Other current liabilities	9 597	5 960	0	0	0	0	0	0	0	15 557
Total	156 141	11 345	7 755	4 681	22 224	46 882	18 997	14 750	33 628	316 403

Group

2025

(Amounts in NOK 1 000)	1-3 months	4-6 months	7-9 months	10-12 months	2027	2028	2029	2030	> 5 years	Total
Loan and subordinated loan	1 098	1 098	3 836	1 098	32 906	46 301	539	4 146	94 189	185 212
Credit line	56 532	0	0	0	0	0	0	0	0	56 532
Lease liabilities	5 775	5 708	5 701	5 647	22 365	21 965	18 196	16 064	29 148	130 569
Trade payables	94 619	0	0	0	0	0	0	0	0	94 619
Other current liabilities	70 462	6 874	0	0	0	0	0	0	0	77 336
Total	228 487	13 680	9 537	6 745	55 271	68 266	18 735	20 209	123 337	544 268

Parent

2024

(Amounts in NOK 1 000)	1-3 months	4-6 months	7-9 months	10-12 months	2026	2027	2028	2029	> 5 years	Total
Loan and subordinated loan	0	0	2 713	0	2 510	27 610	0	0	0	32 833
Credit line	47 750	0	0	0	0	0	0	0	0	47 750
Lease liabilities	4 219	4 156	4 156	4 089	16 210	15 845	15 440	12 281	26 407	102 802
Trade payables	88 659	0	0	0	0	0	0	0	0	88 659
Other current liabilities	8 771	5 316	0	0	0	0	0	0	0	14 087
Total	149 399	9 472	6 867	4 089	18 721	43 455	15 440	12 281	26 407	286 131

Parent

2025

(Amounts in NOK 1 000)	1-3 months	4-6 months	7-9 months	10-12 months	2027	2028	2029	2030	> 5 years	Total
Loan and subordinated loan	1 098	1 098	3 836	1 098	32 906	46 301	539	4 146	94 189	185 212
Credit line	56 532	0	0	0	0	0	0	0	0	56 532
Lease liabilities	4 976	4 902	4 888	4 827	19 006	18 472	14 569	10 699	19 974	102 313
Trade payables	84 806	0	0	0	0	0	0	0	0	84 806
Other current liabilities	75 484	6 176	0	0	0	0	0	0	0	81 660
Total	222 896	12 177	8 724	5 926	51 912	64 773	15 108	14 845	114 164	510 523

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The group and the parent company have a credit facility for up until TNOK 67,000 with SpareBank 1 Nordmøre for working capital related to future sales contracts. As of 31 December 2025, TNOK 56,532 is used. In addition to the available cash and cash equivalents as of 31 December 2025, this secures the group and the company sufficient liquidity for 2026. See note 16 on interest-bearing debt for further information.

In the future, the management and the board will continue to prioritize the work on an appropriate and long-term financing of Hofseth BioCare ASA.

Capital structure and equity

The group and the parent company's objectives with respect to capital management is to ensure the continuation as a going concern, to provide returns to shareholders and other stakeholders, and to maintain an optimal capital structure to reduce capital costs. By ensuring sound ratios between equity and debt the group and the parent company will support its operations, thus maximizing the value of its shares.

The parent company manages its capital structure and makes necessary changes to it on the basis of an ongoing assessment of the financial conditions under which the business is run, and the prospects seen in the short and medium term, including any adjustment of dividend shares, buyback of own shares, reduction of share capital or issuance of new shares. There has been no change in the policy in this area in 2025. The Group completed a conversion of debt to equity 4 January 2024, and strengthened the equity with TNOK 144,000. The Group's equity ratio was -19.2 % as of 31 December 2025 and (17.9 % as of 31 December 2024). The parent company's equity ratio was -1.4 % as of 31 December 2025 (31.9 % as of 31 December 2024).

In October 2025, the Company announced a successful placing of new ordinary shares with gross proceeds of NOK 158 million. As of the date of this Annual report, the Company still has not received all share deposits and has not been able to complete the transaction. The Board still expect the transaction to be completed in Q2 2026 to strengthen the Company balance sheet and cash balance.

Note 19 Inventory

Inventory

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Salmon oil	13 909	12 506	13 909	12 506
Soluble protein	3 191	9 262	3 191	9 262
Calcium	10 194	11 220	10 194	11 220
Non-soluble protein and other	3 758	1 417	3 758	1 417
Consumer products	11 253	7 511	10 179	7 025
Total finished goods	42 305	41 916	41 231	41 430
Packaging and auxiliary materials	17 521	14 000	17 521	13 773
Total inventory	59 826	55 917	58 752	55 203

Provision for obsolescence of TNOK 33,660 as of 31 December 2025 compared to TNOK 43,125 as of 31 December 2024. Profit effect change in obsolescence provisions is included in cost of goods with TNOK -4,821 in 2025 (TNOK 3,479 in 2024). See notes 2, 3 and 4 for more information. Sum cost of goods sold in 2025 is TNOK 160 967 (TNOK 169 553 in 2024).

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Note 20 Trade receivables and other current receivables

Trade receivables

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Trade receivables USA	6 241	6 190	6 338	6 190
Trade receivables Belgium	2 052	6 166	2 052	6 166
Trade receivables Italia	557	2 140	557	2 140
Trade receivables Germany	2 420	0	2 420	0
Trade receivables Turkey	3 251	0	3 251	0
Trade receivables other	6 998	4 357	6 513	4 220
Sum trade receivables	21 520	18 853	21 131	18 716
Trade receivables related parties	0	0	6 999	7 106
Provision for expected credit losses	0	0	0	0

Accounts receivable are not interest-bearing receivables and general terms and conditions for payment are from 7 to 120 days. All significant accounts receivables are credit secured by Coface Norway, limited to a maximum of MNOK 21.5 and with a coverage rate of 90 %. Historical credit losses for customers over the past five years are approximately TNOK 751.

Aging of trade receivables - Group

(Amounts in NOK 1 000)	Total	Not due	<30d	30-60d	60-90d	>90d
2025						
Accounts receivables	21 520	17 695	3 825	0	0	0
Credit-secured share	18 652	14 840	3 812	0	0	0
Expected loss	0	0	0	0	0	0
2024						
Accounts receivables	18 854	17 695	1 078	0	0	81
Credit-secured share	10 350	10 317	0	27	0	5
Expected credit loss	0	0	0	0	0	0

Aging of trade receivables - Parent

(Amounts in NOK 1 000)	Total	Not due	<30d	30-60d	60-90d	>90d
2025						
Accounts receivables	21 131	17 419	3 712	0	0	0
Credit-secured share	18 652	14 840	3 812	0	0	0
Expected loss	0	0	0	0	0	0
2024						
Accounts receivables	18 716	17 557	1 078	0	0	81
Credit-secured share	10 350	10 317	0	27	0	5
Expected credit loss	0	0	0	0	0	0

The Group has established a model in which the Group calculates provisions for credit losses by multiplying the expected credit losses by the proportion of non-credit-secured accounts receivable. The Group uses an increasing factor for expected credit losses according to maturity analyzes above. When analyzing future information about the Group's customers and markets, no future challenges are listed today which indicate that there will be a significant credit loss in the future (see and note 18 on credit risk). The Group and the parent company have TNOK 0 in provisions for losses on accounts receivable both in 2025 and 2024.

Other current assets

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Prepayments	5 342	4 587	5 152	4 371
VAT receivable	2 807	4 519	4 851	3 859
Intercompany Group	0	0	3 166	49 712
Benefit funds	2 433	1 227	2 433	1 227
Other	2 815	1 384	-1 288	715
Total	13 397	11 716	14 314	59 885

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Note 21 Cash and cash equivalents

Deposits with a credit institution totaled TNOK 67,050 as of 31 December 2025 and TNOK 25,577 as of 31 December 2024 and the Group earns interest income according to agreed floating interest rate terms.

At 31 December 2025, restricted funds for the Group amounted to TNOK 3,773 which derives from the employees' tax deductions. As of 31 December 2024, this amounted to TNOK 3,013.

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Note 22 Equity investments

Subsidiaries	Country	Head office	Share capital	Ownership	Voting share	Earnings 2025	Equity 31.12.2025
HBC Berkåk AS	Norway	Rennebu	100	100%	100%	-13 551	55 595
HBC Therapeutics AS	Norway	Ålesund	2 000	100%	100%	-52	-380
HBC Switzerland GmbH	Switzerland	Zürich	CFH20	100%	100%	-26	24
Hofseth BioCare Rørvik AS	Norway	Rørvik	100	51%	51%	-4	-1 421
Hofseth Biocare Americas Holdings Inc.	USA	Mendham, NJ	0	100%	100%	588	962
Hofseth Biocare UK Ltd.	UK	Brentford	0	100%	100%	-231	-1 640

Company	Country	Head office	Share capital	Ownership	Voting share
Atlantic Delight Ltd.	Hong Kong	Hong Kong	0	34%	34%
AecorBio Inc.	USA	Delaware	0	67%	49%

Atlantic Delights Ltd

The parent company and the group acquired 34 % of Atlantic Delights Ltd., Hong Kong on 27 August 2020, through a share issue with a nominal value of TNOK 6,517 in the company. Estimated surplus value related to customer base amounts to TNOK 3,395 calculated at the time of acquisition and which is depreciated on a straight-line basis over 5 years. Profit share from the company in the ownership period is included after tax expense and amortization of surplus value. The investment is impaired per 31.12.2025.

AecorBio Inc.

In 2024, a new patent from HBC was transferred to AecorBio as a contribution in kind. The patent was valued at TNOK 47 750(TUSD4,500), including the other joint venture partners contribution (25%), and the gain booked in HBC was TNOK 8 122. The gain was accounted for as partial gain, due to that HBC own 71% after the transaction.

In 2025, AecorBio completed a external private placement, reducing the owership held by HBC to 67%.

Since HBC only votes for 49% of the shares, and one other party votes for the remaining 44%, the interest is accounted for under the equity method in the consolidated financial statements. During 2023, 2024 and 2025 the ownership percentage has been diluted from 75% to 67% ownership as a result of external capital increases in AecorBio. The dilution effect is accounted for under share of profit and loss. Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below.

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Investment in associated company Atlantic Delights Ltd

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Net asset 1.1.	1 999	3 443	1 999	3 443
Access	0	0	0	0
Amitization added value	0	-679	0	0
Profit share after tax	0	-765	0	0
Impairment shares	-1 999	0	-1 999	-1 444*
Net asset 31.12.	0	1 999	0	1 999

* Shares are written down to fair value

Investment in joint venture AecorBio Inc.

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Net asset 1.1.	43 700	34 247	45 082	29 589
Access	0	15 493	0	15 493
Dillution effect	8 048	-329	0	0
Profit share after tax	-3 896	-5 711	0	0
Net asset 31.12.	47 853	43 700	45 082	45 082

Financial information in associated company and joint venture

(Amounts in NOK 1 000)	Atlantic Delights Ltd.		AecorBio Inc.	
	2025	2024	2025	2024
Current assets	n/a*	2 551	14 919	5 117
Fixed assets	n/a*	66	302 373	192 780
Current liabilities	n/a*	1 554	0	0
Non-current liabilities	n/a*	11 002	1 008	1 134
Operating revenue	n/a*	1 620	0	475
Total earnings	n/a*	-2 251	-4 972	-5 393

* Figures for 2025 in not received at the date of this report.

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Note 23 Accounts payable and other short-term liabilities

Accounts payable

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Accounts payable	27 378	21 120	17 579	18 703
Accounts payable related companies	67 241	72 510	67 227	69 956
Total	94 619	93 629	84 806	88 659

Accounts payable are not interest-bearing and normal maturity is from 0 to 60 days. For settlement and terms for accounts payable with related parties, see information in note 6.

Other short-term liabilities

(Amounts in NOK 1 000)	Group		Parent	
	2025	2024	2025	2024
Public duties payable	5 862	5 030	5 140	4 277
Accrued holiday pay	6 874	5 960	6 176	5 316
Other accrued costs	2 514	4 567	2 377	4 494
Short-term debt to related companies	0	0	5 881	0
Short-term debt	59 160	0	59 160	0
Total	74 410	15 557	78 735	14 087

TNOK 59,160 classified as short-term debt consists of cash received(TNOK 6,600), and debt reclassified from accounts payable(TNOK 52,500). The amounts will be used to complete the private placement.

Note 24 Share capital, shareholders and dividends

As of 31 December 2025, Hofseth BioCare ASA had NOK 411,081,030 in share capital, divided into 395,081,030 A-shares, and 16 000 000 B-shares, each with a nominal value of NOK 0.01. All shares are fully paid.

B-shares has no voting rights. B-Shares carry a preferential rights to dividends over the Companys A-shares. The 20 largest shareholders of Hofseth BioCare ASA as of 31 December 2025 are:

Largest shareholders	# A shares	# B shares	% share
SIX SIS AG	86 325 569		21.85
RH INDUSTRI AS	69 300 190		17.54
HOFSETH INTERNATIONAL AS	59 611 772	16 000 000*	15.09
YOKOREI CO. LTD	40 951 333		10.37
GOLDMAN SACHS INTERNATIONAL	22 433 338		5.68
BRILLIANT INVEST AS	11 000 000		2.78
GOLDMAN SACHS & CO. LLC	9 251 830		2.34
THE BANK OF NEW YORK MELLON SA/NV	5 780 369		1.46
INTERACTIVE BROKERS LLC	5 344 231		1.35
JPMORGAN CHASE BANK, N.A., LONDON	5 295 253		1.34
CLEARSTREAM BANKING S.A.	4 287 411		1.09
LGT BANK AG	3 461 821		0.88
BOMI FRAMROZE HOLDING AS	3 453 370		0.87
BNP PARIBAS	2 930 370		0.74
COMMERZBANK AKTIENESELLSCHAFT	2 225 133		0.56
JOO INVESTMENTS AS	2 174 039		0.55
BANK JULIUS BÄR&CO.AG	2 003 510		0.51
SINKABERG DRIFT AS	1 764 107		0.45
JABOB HATTELAND HOLDING AS	1 500 000		0.38
UBS AG	1 428 247		0.36
In total, the 20 largest shareholders	357 809 555	16 000 000	90.57
Total others	37 271 475	0	9.43
Total number of shareholders	395 081 030	16 000 000	100.00

*No voting rights

Total no. of shareholders: 1,638

Shares owned by CEO and the Board	2025	2024
Jon Olav Ødegård ¹⁾	3 084 039	3 084 039
Roger Hofseth ¹⁾	129 298 628	129 098 628
Christoph Baldegger	3 247 976	2 547 853
Crawford Currie ¹⁾	750 000	750 000
Total	136 380 643	135 480 520

¹⁾ Includes shares owned by related companies and persons.

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Note 25 Subsequent events

For information regarding the private placement announced in October 2025, see note 1 under going concern.

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Declaration of the Board of Directors and CEO in Hofseth BioCare ASA

We confirm that the financial statements for the period 1 January to 31 December 2025 to the best of our knowledge, have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU / applicable accounting standards and that the financial statements give a true and fair view of the Group's assets, liabilities, financial position and results of operations, and that the annual report gives a fair view of the financial performance and position of the Group, together with a description of the main risks and uncertainties faced by the Group.

Hofseth BioCare ASA Board of Directors,
Ålesund, 27 March 2026



Linda Christin Hoff
Chair of the board



Maria Bech
Board member



Crawford Currie
Board member



Christoph Baldegger
Board member



Amy Novogratz
Board member



Roger Hofseth
Board member



Jon Olav Ødegård
CEO



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Medlemmer av Den norske Revisorforening

To the General Meeting in Hofseth Biocare ASA

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Hofseth Biocare ASA (the Company), which comprise:

- The financial statements of the company, which comprise the statement of financial position as at 31 December 2025, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information, and
- The financial statements of the group, which comprise the statement of financial position as at 31 December 2025, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements of the company give a true and fair view of the financial position of the company as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the financial statements of the group give a true and fair view of the financial position of the group as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code) as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 12 years from the election by the general meeting of the shareholders on 22 July 2014 for the accounting year 2014 (with at renewed election on the 10 May 2024).



Material uncertainty related to going concern

We draw attention to note 1 in the financial statements and the Board of Director's report, which describes that the Company and Group are dependent on sale of products at favorable margins and maintain adequate cash reserves, and additional capital inflows through loans or equity in 2026 to continue as going concern. These events or conditions, along with other matters as set forth in note 1 and the Board of Director's report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2025. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Allocation of production costs as part of manufacturing cost of finished products

Basis for the key audit matter

The Hofseth BioCare Group had inventory of TNOK 59 826, and the parent company had inventory of TNOK 58 752 per 31 December 2025. Four types of finished goods are produced from a common production process based on the same input factors. Allocation of production costs is calculated on the basis of the expected sales values of the individual finished products multiplied with the relative share of the production yield. As the allocation of production costs involves significant judgement, this was a key audit matter.

Our audit response

We evaluated the model used, we compared input such as the sales values against representative prices achieved through sales in 2025. We tested the production yield in the model against reported numbers from factory, and production costs in the model against actual costs. We tested the model for allocation of production costs being mathematically correct. We refer to note 2, 3, 6 and 19.

Other information

The Board of Directors and Chief Executive Officer (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises annual report and statements on Corporate Governance. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report

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and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statement on Corporate Governance.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

Independent auditor's report - Hofseth Biocare ASA 2025

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evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Hofseth Biocare ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name hofsethbiocareasa-2025-12-31-1-en.zip have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial

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Auditors report



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information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 27 March 2026
ERNST & YOUNG AS

The auditor's report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

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